

**The Politics of Anticorruption in Ghana, 1993-2006:
Action, Inaction and Accountability**

Michael Ofori-Mensah

**Thesis submitted for the degree of Doctor of Philosophy
The University of Edinburgh
2009**



Declaration

I hereby declare that this thesis has been composed by me and is my own work, except where indicated otherwise. Furthermore, I declare that this work has not been submitted for any other degree or professional qualification.

Michael Ofori-Mensah

Abstract

This thesis evaluates the effectiveness of Ghana's anticorruption system between 1993 and 2006, the first 14 years after the return to democratic rule in the Fourth Republic. It focuses on how the key anticorruption agencies (ACAs) - the Commission on Human Rights and Administrative Justice, Serious Fraud Office, Public Accounts Committee of Parliament and Auditor-General - have addressed issues of accountability vis-à-vis incumbent governments. The thesis first outlines Ghana's anticorruption history, prior to 1993, in order to determine the failings of past accountability attempts. Next, the mandate, independence and enforcement capabilities of Ghana's ACAs are examined. A case study approach is adopted to analyze how corruption has been tackled in two areas - local government and state enterprises. With the local government case, measures to address fraud in the award of contracts, procurement and revenue collection are assessed. The state enterprise case study, Ghana Airways, is used to explore obstacles to anticorruption. In addition, accountability in the process of privatization, a key element of liberalization reforms, which were also intended as a remedy for mismanagement and fraud in state enterprises, is evaluated.

The findings suggest that, despite the elaborate anticorruption system, there is limited incumbent accountability. This is, firstly, due to a lack of political commitment to anticorruption, by government, in spite of protestations to the contrary. The evidence indicates both the National Democratic Congress and New Patriotic Party were reluctant to prosecute or enforce anticorruption recommendations involving ruling elites within their own parties. ACAs have statutory independence, yet incumbents exercise significant control by retaining authority in areas such as criminal prosecution and resource allocation. Secondly, weak internal controls were found to undermine anticorruption efforts through the opportunities made available for exploiting public resources. These limitations, particularly with reference to incumbents, have instead left government elites open to prosecution for corruption only after they have relinquished power. Therefore, it is concluded that, despite their elaborate design, Ghana's ACAs have made only a modest contribution to accountability within the democratic regime.

Acknowledgements

This study of Ghana's anticorruption efforts has been a long journey and my utmost thanks goes to the Almighty God who has brought me this far. Besides the humorous tales of Ghanaian politics, which provided a welcome distraction, the frustrations encountered have been many. Indeed, the help I received along the way has made completing this work possible. I would like to gratefully acknowledge the support I received from the University of Edinburgh College Award Scheme, which enabled me to undertake my graduate studies.

I owe a debt of gratitude to my supervisors. My special thanks to Professor Paul Nugent for his guidance over the years. His immense knowledge of Ghana has been indispensable for the completion of this work. I am also very grateful to Dr. Sara Rich Dorman for her detailed comments and suggestions. Professor Kenneth King, my initial supervisor, provided guidance in the early stages of this work. I am greatly indebted to him for his vote of confidence, inspiration and support in many ways. I would like to thank all my colleagues at the Centre of African Studies for the pleasant atmosphere over the years.

I incurred countless debts of gratitude over the course of my fieldwork in Ghana. I am grateful to Professor Joseph Ayee, University of Ghana, who allowed me to draw on his personal archive and provided me with very practical advice. I would also like to express my thanks to Emmanuel Osei Wusu of the Serious Fraud Office for being generous with his time and meticulously explaining some of the unclassified investigations reported in this study. I appreciate the help of Bismark Adjabeng, Parliament of Ghana Library, who eagerly assisted me in locating official publications and also served as invaluable source of contacts. Similarly, the assistance I received from Simeon, Padmore African Research Library, was immense and I am grateful. Certain individuals who provided me with advice and data have requested to remain anonymous, due to the sensitive nature of anticorruption issues in Ghana. Indeed, they helped me understand this research area from different perspectives and, although I cannot name them, I would like to record my sincere appreciation for their help.

My family have been a source of encouragement and I am thankful for all their support. I am particularly indebted to my mum for her prayers and the great hospitality I enjoyed during my fieldwork in Ghana.

Last, but not least, I will forever be grateful to Brunella for her love and selfless sacrifice throughout the years. Without her unwavering support and understanding, in the face of the difficulties encountered, completing this work would not have been possible. You are my rock and this work is dedicated to you.

Contents

Abstract	i
Acknowledgments	ii
Contents	iii
List of Tables and Figures	viii
Abbreviations	ix
Regional Map of Ghana	xiii
Chapter 1 Introduction	
1.1 An aspiring 'tiger' and the reality of corruption	1
1.2 Definitions and clarification of key themes and concepts	6
1.3 Literature review	11
1.4 Methodology	18
1.5 Outline of the study	23
Chapter 2 Ghana's anticorruption experiments, 1957-1993: History repeats itself	
2.1 Introduction	26
2.2 The Convention People's Party (CPP) government (1957-1966)	28
2.3 The National Liberation Council (NLC) regime (1966-1969)	31
2.4 Second Republic: The Progress Party (PP) government (1969-1972)	34
2.5 The National Redemption Council (NRC)/ Supreme Military Council (SMC) (1972-1979)	36
2.6 The Armed Forces Revolutionary Council (AFRC) regime (1979)	42
2.7 Third Republic: The People's National Party (PNP) government (1979-1981)	46
2.8 The Provisional National Defence Council (PNDC) regime (1981-1993)	49
2.9 Conclusion	55

Chapter 3	Public anticorruption agencies in Ghana: Potential and paralysis	
3.1	Introduction	57
3.2	The Commission on Human Rights and Administrative Justice (CHRAJ)	59
	3.2.1 Mandate and functions	59
	3.2.2 CHRAJ corruption investigations	62
	3.2.3 Achievements and constraints	68
3.3	The Serious Fraud Office (SFO)	72
	3.3.1 Mandate and functions	72
	3.3.2 SFO corruption investigations	74
	3.3.3 Achievements and constraints	76
3.4	The Auditor-General	78
	3.4.1 Mandate and functions	78
	3.4.2 The audit process as an anticorruption mechanism	79
3.5	Public Accounts Committee of Parliament (PAC)	82
	3.5.1 Mandate and functions	82
	3.5.2 PAC and anticorruption	82
3.6	Office of Accountability	84
3.7	The Criminal Code's section 179A (3) (a)	86
3.8	Conclusion	90
Chapter 4	The anticorruption role of donors, the media and civil society: Mission impossible?	
4.1	Introduction	93
4.2	The anticorruption role of donors in Ghana: Walking a diplomatic tightrope and pandering to a 'star pupil'	95
	4.2.1 The World Bank	97

4.2.2	The Department for International Development (DFID)	98
4.2.3	The United States Agency for International Development (USAID)	101
4.2.4	Combined donor efforts.....	102
4.3	China's 'non-interference' conundrum: An emerging constraint on anticorruption.....	104
4.4	The media in anticorruption reform: Triumphs and tribulations.....	106
4.4.1	Background	106
4.4.2	The state-owned media.....	107
4.4.3	Private owned media.....	112
4.4.4	Challenges and constraints.....	118
4.5	Civil Society Organizations in the anticorruption arena: Coalitions of the willing.....	121
4.5.1	Background	121
4.5.2	The Church and anticorruption: The case of the Catholic Bishops Conference (CBC)	122
4.5.3	Research and advocacy based groups: The case of Ghana Integrity Initiative (GII)	127
4.6	Conclusion.....	130
Chapter 5	Empowerment, embezzlement and the limits of accountability in Ghana's system of local government: Complications from surgery?	
5.1	Introduction.....	132
5.2	The District Assembly system of local government in Ghana.....	134
5.2.1	Background	134
5.2.2	District Assembly structure and functions	137
5.2.3	District Assembly funding.....	140

5.3	Anticorruption mechanisms at the district level	142
5.3.1	Contract irregularities	142
5.3.2	Procurement fraud.....	145
5.3.3	Revenue collection and cash embezzlement.....	147
5.4	Other limitations of district level accountability.....	149
5.4.1	Politicization: Proxies and grandchildren	149
5.4.2	Audit shortfalls: Complicity and enforcement.....	152
5.4.3	Resource constraints.....	154
5.5	Reforms: Pledges and achievements	154
5.5.1	Electoral pledges.....	154
5.5.2	Legal and institutional achievements	156
5.6	Conclusion.....	157
Chapter 6	State control and privatization: The paradox of accountability deficit in a problem and its solution	
6.1	Introduction	160
6.2	Ghana Airways: Unfastening the accountability belt.....	162
6.2.1	Background	162
6.2.2	The untouchable: Our woman in Banjul	164
6.2.3	Selling the crown's jewel	165
6.2.4	The Anane conundrum: Guilty but irrelevant?.....	167
6.2.5	The three-man syndicate.....	170
6.2.6	Navigating a route out of turbulence: Between tinkering and divine intervention	171

6.3	Privatization of state enterprises: A manipulation of the invisible hand?	177
6.3.1	Background	177
6.3.2	The DIC and the privatization process	179
6.3.3	Ghana Films: A stage managed divestiture?	181
6.3.4	From first lady to fourth accused: Mrs. Agyeman-Rawlings in the dock ...	183
6.3.5	The tale of Goldcity	187
6.4	Conclusion	191
 Chapter 7 Conclusion		
7.1	Summary	193
7.2	Review of findings and answer to research questions	198
7.3	Recommendations	200
7.3.1	Restructuring the public anticorruption framework and capacity building	200
7.3.2	Ethics reforms	202
7.3.3	Internal controls	203
7.3.4	Civil society outreach	204
7.4	Limitations and future research	204
Bibliography		207
 Appendix I List of public servants who are required to declare their assets under the Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) (Section 3).....		
		239
Appendix II Selected economic indicators.....		241

List of Tables and Figures

Tables

Table 1.1	Transparency International's Corruption Perceptions Index ranking for Ghana (1998 – 2007)	9
Table 2.1	Summary of Ghana's post-independence regimes (1957-1993)	27
Table 3.1	Complaints received by CHRAJ in 2003	62
Table 3.2	Trends in budgetary allocations for CHRAJ in (¢) millions (Nominal)	70
Table 3.3	Trends in budgetary allocations for CHRAJ in (¢) millions (Real)	70
Table 3.4	Transfers made by Winners Chapel	74
Table 3.5	SFO financial recoveries (1998-2004)	76
Table 3.6	Losses incurred by government Ministries, Departments and Agencies in terms of overpayments, payroll irregularities, unsupplied items and errors, (2002-2004)	80
Table 5.1	District Assembly Common Fund misappropriations (1997-2000)	142
Table 6.1	Summary of completed divestiture transactions	178
Table 6.2	Payment terms for Caridem's acquisition of Nsawam Cannery	185
Table 6.3	Treasury bill investments by Agbodo in the name of Zormelo	188
Table 6.4	Examples of divested SOEs with employment levels as of 2002	190

Figures

Figures 2.1-2.3	Former Heads of State executed by the AFRC	44
Figure 3.1	Uncompleted SFO office building and the old Parliament House	77
Figure 4.1	Newspaper sketch lampooning the NDC's economic record and corruption	113
Figure 4.2	Kufuor: Allegations vs. perceptions of corruption	117
Figure 4.3	Accessing official information	120
Figure 4.4	Anticorruption posters	127
Figure 5.1	Ghana's local government structure	139
Figure 5.2	Distribution of the DACF in 2005	141
Figures 6.1-6.2	Pastor Tetteh attends to his flock	174
Figure 6.3	Ghanair's unorthodox methods: All hands on deck	175
Figures 6.4-6.6	Cheerleaders in action	184

Abbreviations

ACA	Anticorruption Agency
AFGO	African Ground Operations
AFRC	Armed Forces Revolutionary Council
AFRICOM	United States Africa Command
APRM	African Peer Review Mechanism
ARIC	Audit Report Implementation Committee
ARPB	Association of Recognized Professional Bodies
BNI	Bureau of National Investigations
CAGD	Controller and Accountant-General's Department
CBC	Ghana Catholic Bishops Conference
CCG	Christian Council of Ghana
CDD	Ghana Center for Democratic Development
CDO	Civil Defence Organization
CDR	Committee for the Defence of the Revolution
CEPS	Customs Excise and Preventive Service
CHRAJ	Commission on Human Rights and Administrative Justice
CIBA	Council for Indigenous Business Association
CID	Criminal Investigations Department
CMB	Cocoa Marketing Board
CPC	Cocoa Processing Company
CPI	Corruption Perceptions Index
CIPIB	Singapore Corrupt Practices Investigative Bureau
CPP	Convention People's Party
CPPCC	Chinese People's Political Consultative Conference
CSIR	Centre for Scientific and Industrial Research
CSO	Civil Society Organisation
CVC	Citizens Vetting Committee
DA	District Assembly
DACF	District Assembly Common Fund
DACFA	District Assembly Common Fund Administrator
DCD	District Coordinating Director
DCE	District Chief Executive
DCEC	Botswana Directorate of Corruption and Economic Crime
DEC	District Electoral Committee

DFID	Department for International Development
DIC	Divestiture Implementation Committee
DTB	District Tender Board
DWM	31st December Women's Movement
ENHAS	Entebbe Handling Services Limited
ERP	Economic Recovery Programme
FOI	Freedom of Information
FSD	Forest Services Division
GACC	Ghana Anticorruption Coalition
GBA	Ghana Bar Association
GBC	Ghana Broadcasting Corporation
GDP	Gross Domestic Product
GFIC	Ghana Films Industry Corporation
GIA	Ghana International Airlines
GII	Ghana Integrity Initiative
GIL	Greenland Investments Limited
GIMPA	Ghana Institute of Management and Public Administration
GJA	Ghana Journalists Association
GNA	Ghana News Agency
GNP	Gross National Product
GNPC	Ghana National Petroleum Company
GPHA	Ghana Ports and Harbours Authority
GRAP	Ghana Research Advocacy Programme
GSFP	Ghana School Feeding Programme
GTV	Ghana Television
HIPC	Heavily Indebted Poor Countries Initiative
ICAC	Hong Kong Independent Commission Against Corruption
ICRG	International Country Risk Guide
ICTC	Intercontinental Container Transport Corporation
IDA	International Development Association
IEA	Institute of Economic Affairs
IGG	Uganda Inspector General of Government
ILGS	Institute of Local Government Studies
IMF	International Monetary Fund
INCSR	International Narcotics Control Strategy Report
IPPD	Integrated Personnel Payroll Database

IRS	Internal Revenue Service
KLM	Royal Dutch Airlines
LGS	Local Government Service
LGSM	Local Government Service Management
MCA	Millennium Challenge Account
MDAs	Ministries Departments and Agencies
MDBS	Multi-Donor Budgetary Support
MGL	Millicom Ghana Limited
MLGRD	Ministry of Local Government and Rural Development
MMDA	Metropolitan, Municipal or District Assembly
MP	Member of Parliament
NCCE	National Commission on Civic Education
NCD	National Commission for Democracy
NDC	National Democratic Congress
NGP	National Governance Programme
NIC	National Investigation Committee
NLC	National Liberation Council
NMC	National Media Commission
NPP	New Patriotic Party
NRC	National Redemption Council
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OGE	United States Office of Government Ethics
OoA	Office of Accountability
ORC	Office of Revenue Commissioner
PAC	Public Accounts Committee of Parliament
PCB	Tanzania Prevention of Corruption Bureau
PCV	Petty Cash Voucher
PDC	People's Defence Committee
PEPTA	Public Enterprise and Privatization Technical Assistance Project
PFP	Popular Front Party
PM	Presiding Member
PNC	People's National Convention
PNDC	Provisional National Defence Council
PNP	People's National Party
PP	Progress Party

PRSP	Poverty Reduction Strategy Paper
PWD	Public Works Department
RCC	Regional Coordinating Council
RGD	Registrar-General's Department
SAP	Structural Adjustment Programme
SFO	Serious Fraud Office
SMC	Supreme Military Council
SMDC	Sub-Metropolitan District Council
SOE	State-Owned Enterprise
SSNIT	Social Security and National Insurance Trust
TI	Transparency International
TUC	Trades Union Congress
UAC	Ugandan Airlines Corporation
UCB	Ugandan Commercial Bank
UNDP	United Nations Development Programme
UNIGOV	Union Government
USAID	United States Agency for International Development
WAMCO	West Africa Mills Company
WDC	Workers' Defence Committee

Regional Map of Ghana



Source: Ghana Review International

Chapter 1

Introduction

It is not easy to fight corruption, which is brought about by selfishness and greed, but we are trying very hard to resist temptation. Holding public office is difficult and tempting.

President John Kufuor
Address at the 2003 Annual Delegates Conference of the New Patriotic Party.
(GNA, 20 December 2003).

1.1 An aspiring 'tiger' and the reality of corruption

On 19 June 2007, Joseph Kofi Adda, then Ghana's Minister of Energy, entered Parliament with two containers - one held salt and the other crude oil. The New Patriotic Party (NPP) Minister told the House that commercial quantities of oil had been found off Ghana's western coast in the Gulf of Guinea, but drama unfolded when he sought to make political capital out of the discovery.¹ Displaying the salt and oil, the Minister pointed out that when the opposition National Democratic Congress (NDC) was in government, the state's oil exploration company, the Ghana National Petroleum Company (GNPC), produced salt, but under the NPP crude oil had been found. Not taking kindly to the rhetoric, the NDC heckled the Minister. In an attempt to claim some of the credit, the opposition retorted that its initial efforts had contributed to making this find possible. The *Ghana Palaver*, a private newspaper affiliated with the NDC, noted with both alarm and fury the Energy Minister's supposed ineptitude and naivety about the importance of salt. The *Palaver* carefully outlined how petroleum by-products, when chemically combined with salt, results in polyethylene vinyl chloride, which is used in manufacturing plastic goods; the paper thus summed up its argument with the equation: Oil + Salt = PVC Pipes (*Ghana Palaver*, 27 June 2007). At Christianborg Castle, the seat of government, President John Kufuor led the celebrations with crude oil in one hand and champagne in the other (McCaskie, 2008). Even though salt was absent on this occasion, the President stressed it was his government's strategy of letting GNPC focus on its core business that led to the discovery.² Kufuor said Ghana was "going to fly" and was optimistic that oil would transform the economy and enable the country to develop as an "African tiger" (BBC News, 19 June 2007).

This thesis is about anticorruption in Ghana, and the oil discovery serves to highlight the significance of this issue. In fact, if the outcome was limited to the political manoeuvrings above, there will be little cause for concern. However, across sub-Saharan Africa, the discovery of oil

¹ The 2007 discovery was made in the Jubilee field, West Cape Three Points. This initial find was estimated to hold about 500 million - 1.8 billion barrels of oil (*Financial Times* [London], 27 August 2007). Since then, further exploration success had been made. The most recent was in March 2009 when a new field, estimated to hold about 1.4 billion barrels of oil, was discovered (*Financial Times* [London], 10 March 2009).

² During NDC rule GNPC engaged in numerous business activities unrelated to oil exploration. Recent oil exploration efforts has seen GNPC partner with a consortium of foreign firms - Kosmos Energy, Anadarko Petroleum and Tullow Oil.

and the subsequent revenues generated have become synonymous with civil conflict and corruption; Nigeria is a salutary example in this respect.³ For the most part, economic development has proved elusive in the African context. The so-called 'resource curse' theory attempts to explain the paradox of why certain natural resource rich countries experience weak economic growth, in comparison to resource poor countries. Some of the early resource curse literature explained this economic decline/ slow growth by mostly focusing on diminishing terms of trade for primary commodities and how natural resources 'crowded out' other sectors of the economy (Sachs and Warner, 1995; 2001; Ross, 1999). But recent research confirms that the 'quality of institutions' plays a decisive role as to whether a country experiences this phenomenon (Bulte et al., 2005; Mehlum et al., 2006; Karl, 2007; Soares de Oliveira, 2007; Pegg, 2009). Mehlum et al. (2006) utilize regression analysis to demonstrate how the curse emerges in countries with weak institutions, while Karl (2007:256) argues it is primarily a political/ institutional phenomenon whereby the state becomes a "honey-pot" that is raided by political elites. Given the evidence that oil revenues have spawned corruption, and facilitated ruling elites to consolidate their hold on power in other cases, this raises the stakes in terms of governance in Ghana. Anticorruption institutions can play a crucial role in scrutinizing and guarding against elites expropriating the revenues generated. This may prove to be their stiffest test yet and makes it timely to assess the effectiveness of Ghana's anticorruption system.

Anticorruption reform in developing countries has emerged as a topical issue over the last two decades. One reason for this interest is the argument that corruption is a major obstacle to economic development (Shleifer and Vishny, 1993; Harsch, 1993; Coldham, 1995; World Bank, 1997a; Kaufmann, 1999; Kaufmann et al, 2006; Mbaku, 2007). Indeed, corruption's link to development and poverty reduction has brought about a focus on Africa, the world's poorest region, where it is estimated to cost the continent \$148 billion annually, representing about 25 percent of Africa's gross domestic product (RAS, 2005; World Bank, 2008). The contemporary interest in the phenomenon of corruption is partly due to the end of the cold war. This is because Western governments, in the post-cold war environment, no longer need to put up with corrupt regimes they previously courted as 'allies' in the interest of political convenience. Consequently, bilateral donors together with multi-lateral institutions like the World Bank and the International Monetary Fund (IMF) now devote extensive resources to fighting corruption under the banner of 'good governance', which has become a key condition for development assistance.

³ For Africa's oil states in the Gulf of Guinea, Soares de Oliveira (2007) provides scrupulous analysis of the political economy of oil and its paradoxical effects.

Corruption also remains a highly charged political issue that has accounted for instability, particularly in Ghana where coups and counter-coups have been staged on the premise of fighting corruption. Since attaining independence about 50 years ago, Ghana has gone through a succession of civilian and military administrations all pledging to root out corruption. As a result, the country's past governments pursued anticorruption through legislative interventions and/or carried out a series of quick-fix draconian measures for political expediency. Significantly, most of the previous accountability attempts excluded incumbent regimes and instead focused on political elites from previous regimes. In fact successive governments often engaged in elaborate rhetoric about fighting corruption but retreated when senior members of the incumbent regimes were themselves caught up in scandals. Overall, the past anticorruption efforts proved unsustainable in the long-term as corruption continued to thrive.

The contemporary interest in corruption has increased the use of specialized institutions known as anticorruption agencies (ACAs) as the preferred mechanism to oversee government accountability. Ghana adopted this strategy as mandated by the Fourth Republican Constitution of 1992. The inauguration of the Fourth Republic on 7 January 1993 brought about the return to constitutional rule following general elections held in late 1992.⁴ Since then four successive democratic elections have been held - in 1996, 2000, 2004 and 2008 - with all deemed free and fair by international observers. The elections in the year 2000 brought about a change of government - the NDC lost control of both the Presidency and Parliament, which it had held since the return to constitutional rule, to the NPP.⁵ These gains were reversed in the 2008 elections when the NDC took back control of Parliament and also secured the Presidency. Ghana's electoral accomplishments, together with the smooth transfer of power, have contributed to her current standing as an African success story. Nonetheless, the democratic achievements have obscured flaws in other areas of governance such as anticorruption. In spite of Ghana's elaborate multi-agency anticorruption framework, made up of the Commission on Human Rights and Administrative Justice (CHRAJ), Serious Fraud Office (SFO), Public Accounts Committee of Parliament (PAC) and the Auditor-General, corruption remains prevalent.

The frank admission by President Kufuor of 'difficulties' in addressing corruption, as noted in the quote at the start of this chapter, is significant. The words used by the President suggest a struggle with not becoming corrupt and puts into focus the opportunities for abuse of office,

⁴ Prior to the inception of the Fourth Republic, Ghana went through an 11-year period of non-democratic rule under the Provisional National Defence Council (PNDC) which assumed office through a coup in December 1981.

⁵ After the 2004 general elections, the NPP held on to the Presidency and maintained its majority in Parliament.

which are readily available to government elites. Recent survey evidence from the Afrobarometer (2008) indicates that around 77 percent of Ghanaians perceive some form of corruption among government officials; a large majority similarly remain sceptical of government's commitment to tackle the problem. The World Bank (2000a) also tells us that over 75 percent of Ghanaians view corruption as a serious problem in the country. As a matter of fact government's own audit reports, and to some extent media accounts, have consistently provided compelling evidence that corruption remains rife in public office. But despite the increasingly strong confirmation of grand corruption no senior ruling party member has been prosecuted during the course of the Fourth Republic. Instead, this type of corruption has been mostly addressed in post-regime format, after government elites have relinquished power. In general, both the NDC and NPP administrations have demonstrated a patchy record on incumbent oversight. What explains this scenario and how practical is the current system to address corruption?

The general body of academic work concentrating on anticorruption in Ghana has increased over the last decade and added to our understanding of the accountability process in the Fourth Republic (Ayee, 1994c, 2000a; Osei-Hwedie and Osei-Hwedie, 2000; Attafuah, 2002; Gyimah-Boadi, 2002; Prempeh and Asare, 2003; Doig et al., 2005; Hasty, 2005a; Alhassan-Alolo, 2007). However, there is a lack of an in-depth study which:

- (a) Examines the record of the complete institutional structure for tackling incumbent high-level corruption based on detailed empirical evidence and;
- (b) Provides a comparative assessment of how the two administrations that governed Ghana between 1993 and 2006 approached the issue of accountability.

Attafuah (2002), for example, evaluates only the NPP administration's initial anticorruption record. Similarly, Prempeh and Asare (2003) provide scrupulous scholarship of the NPP's anticorruption efforts, but their analysis is limited to the use of the Criminal Code as an accountability tool. Hasty (2005a) looks at the role of the press in anticorruption. Ayee (2000a), on the other hand, sets out to analyze anticorruption reform in Ghana's entire post-independence history and is not comprehensive. Other scholars such as (Ayee, 1994c; Gyimah-Boadi, 2002; Doig et al., 2005 and Alhassan-Alolo, 2007) have not provided us with an empirical comparative assessment of the anticorruption record across both the NDC and NPP administrations. Overall, there exists no known study that combines primary qualitative data with evidence from official documents such as parliamentary records, audit reports and ACA data in

an attempt to comparatively assess the impact of anticorruption policy in Ghana's Fourth Republic with reference to effective incumbent oversight.

The primary objective of this study is to fill this gap and contribute to knowledge by providing an evidence-based analytical study of the effectiveness of Ghana's current anticorruption framework. Thus, broadly, two key research questions are addressed:

- (1) How effective have public ACAs been in accomplishing their mandates and is the current multi-agency approach suitable for tackling corruption?
- (2) What are the main factors that have constrained efficient incumbent oversight and prompted a return to post-regime accountability?

The central focus will be on the seemingly intractable problem of high-level (grand) corruption, which usually involves senior politicians and high-ranking government appointees. The period covered, between 1993 and 2006, is significant as it allows for a comparison of both the NDC and NPP administrations' anticorruption records.⁶ Although the emphasis is on the role of public ACAs and how they have tackled embezzlement of public funds, selected cases of conflict of interest and patronage are also discussed where relevant to the broader focus. Additionally, the impact of donors, civil society and the media are assessed, mainly with respect to how they complement public anticorruption institutions.

The aim of the framework applied is twofold. The first objective is to provide an evaluation of the core features of Ghana's anticorruption system. This is undertaken by examining the mandates, functions and enforcement capacities of Ghana anticorruption institutions. The second is to adopt a case study approach to analyze the effectiveness of how anticorruption measures have been applied under both the NDC and NPP administrations. Effectiveness of anticorruption relates not only to limiting the occurrence of corruption but also to increasing the probability of penalties being applied, if corruption occurs. Thus, the measure of effectiveness is assessed by juxtaposing evidence of corruption against the enforcement and non-enforcement of anticorruption policy.

Based on the findings of this study, two central arguments are made. Firstly, despite the elaborate anticorruption system, only modest gains have been achieved in controlling corruption. This is because, while theoretically Ghana's multi-agency model appears appropriate, in

⁶ The timeframe evaluated falls between the inception of the Fourth Republic and the end of my extended fieldwork.

practice, the lack of political will has continued to serve as a primary constraint on the anticorruption framework's effectiveness. This is predominantly a problem in the area of incumbent accountability involving ruling elites. Both the NDC and NPP administrations, I further argue, share strong similarities in demonstrating this lack of will. Political will is used in this context to denote consistent commitment towards anticorruption efforts.⁷ Inadequate commitment can be translated in different forms including the failure to: deliver promised reforms, enforce anticorruption recommendations such as prosecutions or even in the allocation of resources. The authority to undertake all these, in Ghana's case, is dominated by the executive branch of government and has served as a restraint on anticorruption efforts.

Secondly, the findings from the evidence uncovered suggest that a weak internal control framework within public sector institutions additionally accounts for the limitations of anticorruption measures. Internal controls include monitoring systems together with checks and balances that serve as a deterrent against fraud and other corrupt activities.⁸ The evidence from our extended case studies of local government and state enterprises indicates that non-compliance with established procedures and lax internal regulatory mechanisms have undercut accountability measures. Thus, combined with the lack of political commitment to institute reform initiatives, opportunities for abuse of office by incumbents have thrived resulting in the persistence of corruption and the recurrence of post-regime accountability.

The next section of this chapter will provide clarification of the key themes and concepts. This will be followed by a review of the corruption literature. The research methods and data sources that formed the basis of this study, together with the practical and ethical challenges encountered during data collection, are next discussed. Finally, an outline of this study, which entails a synopsis of all subsequent chapters, is presented.

1.2 Definitions and clarification of key themes and concepts

To begin, two essential clarifications need to be made. The first relates to the fact that corruption has no clear-cut definition. The *Concise Oxford Dictionary*, Tenth Edition (1999) defines the word corrupt, among others, as "willing to act dishonestly in return for money or personal gain". But the conceptualization of the phenomenon remains broad. Nye's definition, which is one of the frequently cited in literature, determines corruption as behaviour that "deviates from the formal duties of a public role" due to private, pecuniary or status gains such as bribery, nepotism

⁷ Borrowing from Brinkerhoff (2000) for clarification, commitment to anticorruption, which is evaluated retrospectively, is usually exercised by elected politicians, appointed executives or senior public agency officials.

⁸ Bergmann (2009:12) explains that internal controls are the "responsibility" of senior officials who are required to tackle all potential and existing risks.

and misappropriation (Nye 1967:419). Legal definitions emphasize that the law is violated in a corrupt transaction (Peters and Welch, 1978; Khan, 2006). Shleifer and Vishny (1993:599) explain corruption as "the sale by government officials of government property for personal gain". There are even ambiguities in some instances about what can be categorized as corruption. Svensson (2005), for example, suggests rent-seeking may not necessarily constitute corruption.⁹ Most definitions, however, draw attention to the delineation between the public and private sphere (Theobald, 1994; Gyekye, 1997; Stapenhurst and Sedigh, 1999). This study adopts the basic description of corruption - the abuse of public office for private gain - which also serves as the World Bank's working definition (Amundsen, 2000).¹⁰

It is necessary to point out that corruption may be classified as grand or petty. Grand corruption, also referred to as political corruption, occurs at the high-levels of government and usually involves political elites.¹¹ This type of corruption may take the form of politicians or senior government appointees abusing their positions by taking kickbacks in the award of public contracts, engaging in extortion or through the outright embezzlement of state funds. Petty corruption mainly occurs in the course of routine administrative tasks by public servants and is sometimes referred to as bureaucratic corruption. Government employees typically engaging in this practice are mid-level to junior public officials. Examples include civil servants demanding bribes in order to complete tasks such as the issuance of a permit or a police traffic warden taking a bribe from a motorist caught up in a driving offence.¹²

Anticorruption, in contrast, involves action aimed at stemming the practice of corruption. Thus the key tenets of anticorruption revolve around accountability – a requirement on public office holders to be answerable for acts undertaken in the course of their duties; transparency - openness and access to information essential for undertaking scrutiny of public office holders' actions; and improving checks and balances through stronger internal control measures and legislation. Other anticorruption measures may take the form of donor sponsored reforms, civil society campaigns, public education and media exposure on corruption. As noted earlier,

⁹ Krueger (1974), who is credited with coining the phrase rent-seeking, makes the distinction that government restrictions on economic activity may result in a competition for rents, which can be both legal and illegal. Individuals and/or organizations may engage in this practice in order to gain/ maintain an advantage in an area of economic activity. Thus rent-seeking can take the form of entities lobbying government for subsidies or paying bribes in order to maintain a favoured position, such as keeping out competitors.

¹⁰ The terminology of private benefit extends to include groups such as family, tribe and party (Tanzi, 1998). Even though this study concentrates on abuse of public office, it needs to be clarified that corruption can exist in the private sphere.

¹¹ In this thesis, the term 'senior incumbents' is used interchangeably with 'political elites' as a general reference to Ministers, Presidential Advisors and other high-ranking government appointees.

¹² The World Bank (2000a) provides survey evidence suggesting the Motor Traffic Transport Unit (MTTU) of the Ghana Police Service, which is renowned for petty corruption, is the most bribed public agency and the least honest institution in Ghana. This practice is not peculiar to Ghana alone. Erero and Oladoyin (2000) tell us that a similar situation exists in Nigeria where police officers are even noted to give out change when motorists possess high-value bank notes at the time of paying bribes.

anticorruption has emerged as a central part of 'good governance' due to the link with economic development. 'Good governance' is a broad concept, but in the context of this study, it can be explained as the traditions and institutions by which decision making and authority in a country is exercised for common good. The term encompasses the efficient management of government resources, good policy implementation and accountability in the way government undertakes its responsibilities. Corruption in this respect is viewed as an indicator of poor governance which hinders government efficiency and effectiveness.

The second major point of clarification relates to measuring the prevalence of corruption, which is a complex issue due the generally secretive nature of its occurrence. In spite of this, perception-based measures have been dominant among the indicators that have attempted to quantify corruption. Yet these methods suffer from various limitations. The International Country Risk Guide (ICRG), produced mainly for business and investment decisions, assesses corruption from a political risk perspective.¹³ The ICRG gauges the likelihood of senior government officials demanding "special payments" during the course of business and investment transactions but does not rank the prevalence of such acts across countries (Svensson 2005:22). On the other hand, Kaufmann et al. (2005 and 2007) at the World Bank Institute have opted for a broad approach that combines indicators in the wide area of governance. This takes into account core markers such as accountability, political stability, the rule of law and the control of corruption to mitigate the weaknesses of single corruption measurements. The use of aggregate indicators and sources in this approach, instead of individual indicators, limits the margin of error (Kaufmann et al., 2005). These composite measurements remain useful as the control of corruption is influenced by many of the governance factors captured, but this approach also relies extensively on subjective data that are perception-based.

The Corruption Perceptions Index (CPI), compiled since 1995 by Transparency International (TI), an anticorruption lobby, is the most well-known and referenced indicator of corruption. The CPI is a compilation based on a series of surveys which polls key stakeholders including country experts, risk analysts and businesses. A CPI score of 10, the maximum, indicates a country is clean from corruption, while the minimum score of zero denotes a high level of corruption. TI considers a country with a CPI score of less than five as having serious corruption problems. Surveys used in compiling the index attempt to determine different aspects of corruption opportunities. The control of corruption through legislative, judiciary and executive capacity are also estimated. The frequency and size of bribes offered to members of government (grand

¹³ The ICRG has been published since 1982 by the USA based *Political Risks Services Group*.

corruption), as well as facilitation payments made to junior officials (petty corruption), are among the trends surveys used in the CPI attempt to gauge. The published CPI score nonetheless fails to distinguish between grand and petty corruption.¹⁴ Also, the subjective nature of the surveys conceals potential prejudices held by country analysts.

Table 1.1 Transparency International's Corruption Perceptions Index ranking for Ghana, 1998 - 2007

Year	Ghana's rank globally	Total no. of countries ranked	Ghana's CPI score
1998	55	85	3.3
1999	63	99	3.3
2000	52	90	3.5
2001	59	91	3.4
2002	50	102	3.9
2003	70	133	3.3
2004	64	145	3.6
2005	65	158	3.5
2006	70	163	3.3
2007	69	179	3.7

Source: Transparency International (1998-2007)

As observed in table 1.1 above, Ghana's global rank has fluctuated since 1998 - the year when the country was first included in the CPI league table. Yet it must be clarified that this has not been only due to Ghana's improving or worsening scores. The addition of more countries to the CPI together with the improving/worsening scores of others has also played a role in the variation. In 1998, for example, Ghana ranked 55th out of 85 countries worldwide with a score of 3.3. With the same score (3.3), Ghana slipped to the 70th place both in 2003 and 2006 not least due to the addition of more countries to the index. In comparison with other African countries, Ghana is positioned above most of her peers and has consistently ranked in the top 10 least corrupt countries on the continent.¹⁵ However the CPI rankings alone do not explain much about corruption. In 2006, Ghana had a low CPI score of 3.3 but still ranked in the high position of fourth out of 44 African countries. On the other hand, the 2007 CPI score of 3.7 ranked Ghana at eighth out of 52 countries in Africa. Thus an alternative way of utilizing the index to assess a country's progress has been the use of the actual CPI score instead of ranking. Employing this method, the data in table 1.1 above implies that Ghana's has not made progress.

¹⁴ Surveys used in Ghana's 2007 score included assessments from the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA), the Economist Intelligence Unit (EIU), the World Bank's Country Policy Institutional Assessment (CPIA) and Global Insight's Country Risk Ratings.

¹⁵ Botswana has constantly ranked as Africa's least corrupt country. For the last two years, only two of the continent's countries have managed a score above five - the threshold for less serious corruption. In 2006, Botswana scored 5.6 and Mauritius scored 5.1; whilst for 2007, Botswana and South Africa attained scores of 5.4 score and 5.0 respectively. The 2007 index also indicated that out of 52 African countries, 36 scored less than 3.0 - a range which indicates rampant corruption (Transparency International, 2007).

It is important to acknowledge that the complicity of public officials in the burgeoning drugs trade, which is an issue that is gaining prominence, has possibly influenced Ghana's CPI score. Akyeampong (2005:446) reminds us that "geographically", West Africa has assumed the role of a "middleman" for the trafficking of drugs, from Asia and South America, to Europe and North America. Along this line, Ghana, over the last decade, has become a major hub/ transit point for the trafficking of cocaine, heroin and cannabis. Mary Carlin Yates, a senior official at the United States Africa Command (AFRICOM), makes the claim that eight percent of illegal drugs intercepted in Europe are trafficked through Ghana (*Daily Graphic*, 3 March 2009). Revelations from several high-profile drug cases also suggest that corrupt senior public officials have facilitated trafficking. Ellis (2009:192), for example, notes that "many" of Ghana's politicians "have interests in the drug trade".¹⁶ Allegations of corruption have even involved some judges who are said to grant bail to suspected drug traffickers, contrary to stated guidelines. But the significant body of evidence points to the complicity of Ghana's police hierarchy who have been linked to known traffickers and demanded bribes for the release of suspects; in some cases drugs seized have also gone 'missing' while in police custody (INCSR, 2007; *Africa Confidential*, 2008; *The Ghanaian Chronicle*, 6 May 2008). These incidents affect the perception of corruption in public office.

Over the last decade, Ghana has averaged a CPI score of about 3.5. As this score falls below TI's benchmark score of five, Ghana is categorized as having serious corruption problems. All the same, the CPI scores similarly present difficulties. In some cases, the data used spans a two-year timeframe. This may not be helpful in explaining potential correlations between the CPI scores and, for example, the election cycle where the abuse of incumbency through the use of state resources for campaign purposes may be widespread. Despite these limitations, the CPI scores/rankings have been taken into consideration by some donors in the provision of development assistance. In Ghana, opposition politicians and sections of the private media use the annual publication of the index to accuse government of corruption. Incumbents, on their part, have routinely shrugged off these claims and pointed out that the CPI is perception-based and lacks definite evidence.¹⁷ What remains clear is that, in measuring corruption, the perception factor raises issues of reliability. Thus this study mostly draws on case studies based on the evidence presented in ACA investigations and legal proceedings to evaluate anticorruption efforts, even though this approach is not without its own shortcomings.

¹⁶ In late 2005, Eric Amoateng, a Member of Parliament from the then ruling NPP was arrested in the United States for trafficking heroin and was subsequently put on trial in a New York court and convicted on drug related charges.

¹⁷ TI, it is claimed, does not endorse the CPI's use as leverage in providing aid (*The Economist*, 6 November 2006).

1.3 Literature review

The study of corruption is multidisciplinary spanning the fields of economics, political science, history, law, sociology and anthropology to mention a few. This, perhaps, indicates that no single factor sufficiently explains corruption as the competing approaches have offered different interpretations. What has ensued is a lack of consensus - in terms of both the causes of corruption and how to combat it. Drawing on both theoretical and empirical research, this section provides an overview of what the broad social science literature tells us about corruption in order to establish what is known and what remains unexplained.

In attempting to explain why corruption is pervasive in certain countries, the level of economic development has often been identified as a factor of causation. Montinola and Jackman (2002) present us with cross-country evidence indicating that an increase in economic development, represented by GDP per capita, leads to a decline in corruption. Husted (1999) hypothesizes there is a relationship between national income levels and corruption, while emphasizing that gross national product (GNP) per capita, as a measure of economic development, is significantly correlated to corruption. The debate on economic development and corruption has also been approached from other perspectives. In fact, an extensive body of work suggests corruption leads to lower (foreign direct) investment and hence lower economic growth (Shleifer and Vishny, 1993; Mauro, 1995; Tanzi, 1998; Kaufmann, 1999; Ayittey, 2000; Mo, 2001). Mauro (1995), a leading proponent of this thesis, presents cross-country evidence pointing to a negative relationship between corruption and investment. Mo (2001:76) uses a quantitative model to provide the estimate that "a unit increase in corruption index reduces the growth rate by 0.545 percentage points". But while Mo's study advances our understanding on the relationship between corruption and growth, the corruption index applied in this model is based on TI's CPI which, as argued above, remains a subjective measure, and hence opens the study to criticisms of reliability. Rose-Ackerman (2006) offers the explanation that, whilst low growth rates and high perceptions of corruption are associated, the causation arrow may point in both directions – from low growth to corruption or corruption to low growth.

Critics have directly questioned the corruption-underdevelopment/growth link. The supposed negative correlation between corruption and economic development inversely leads to a conclusion that a proportionate drop in the level of abuse should correspond with improvements in GDP (Theobald, 1990). Theobald (1994) advances this argument and notes that corruption may be a symptom rather than a cause of underdevelopment. It must be emphasized that corruption may even exist with economic growth. A country such as Bangladesh, which is well-known to have endemic corruption, has nonetheless achieved substantial growth in its economy.

Kaufmann (1999:47) contends some East Asian countries, which attained phenomenal growth in spite of corruption, managed to do this by developing a “credible rule of law” while pursuing a decent macro economic policy and, importantly, preventing “corrupt practices from encroaching on their export-oriented policies”. Further, despite the claims that poor countries are more likely to be corrupt, considerable levels of corruption are known to exist in developed economies such as Italy and Greece. Overall, the debate on relationship between economic development and corruption remains ambiguous.

Corruption literature also sheds light on a probable relationship between public sector salaries and bribery. Low bureaucratic pay, this strand of literature contends, results in government employees seeking alternative sources of income, such as bribes, to supplement official remuneration (Tanzi, 1998; De Sardan, 1999; Rose-Ackerman, 1999; Stapenhurst and Sedigh, 1999; Montinola and Jackman, 2002).¹⁸ The practice of bureaucratic corruption, involving mostly low ranking civil servants, is thus interpreted as stemming from poverty, with corruption being a survival scheme (Chabal and Daloz, 1999; Rose-Ackerman, 1999). As a matter of fact, civil servants in developing countries such as Ghana are not adequately compensated, and the small sums associated with petty corruption may provide an indication of the subsistence aspect.¹⁹

But the noted relationship between bureaucratic compensation and corruption has limitations. Firstly, some cross-country studies have found no clear-cut evidence confirming higher government remuneration may result in less corruption or even improve bureaucratic performance (Rauch and Evans, 2000; Treisman, 2000). Secondly, opportunities for collecting bribes by public sector workers can also derive from lax internal controls and weak institutional structures. In the few case studies of petty corruption covered in this study, the evidence revealed points towards weak regulatory measures. Thus conditions of low income and weak institutions generate openings for public servants to act rationally in their interest. Rational choice behaviour from economics may be helpful in explaining this aspect of corruption given that individual actors could be argued as optimising their available means to attain an end. Thirdly, the low compensation-poverty argument does not explain the issue of grand corruption involving senior public officials who are typically not low income earners. Svensson (2005) also provides perceptive analysis of the fact that studies in this area have used aggregate data on wages, even though wage data and corruption data could possibly refer to different groups. This

¹⁸ Some of the early literature argued that bureaucratic corruption, such as bribes, could facilitate the efficient running of government transactions through the circumvention of unnecessary bureaucratic hurdles (Leff, 1964; Huntington 1968). Leff (1964) advanced this claim noting that unofficial payments, could even lead to economic growth with businesses being issued with licenses or investment permits. This line of argument is markedly absent in contemporary scholarship.

¹⁹ As a guide to the level of poverty in Ghana, 45 percent of the population live on less than \$1 a day (World Bank, 2007:60). This steeply rises to almost 79 percent when those living on less than \$2 a day are taken into account (Ibid).

in effect becomes problematic when pay among public servants varies. In Ghana, for example, employees at the Social Security and National Insurance Trust (SSNIT) are on average better compensated than their counterparts at government ministries.

Democracy remains a core component of good governance, yet the evidence on the relationship between this political system and corruption is varied. One strand of literature argues democracy constrains corruption. In this respect, political competition is said to increase the probability that government corruption will be exposed by alternative candidates and opposition parties or through accountability in the electoral process (World Bank, 2000b). Ades and Di Tella (1999) however fail to locate “beneficial and significant effects of political rights on corruption” and instead find that the absence of such rights appears to be associated with less corruption. On the other hand, Montinola and Jackman (2002) present cross-country evidence suggesting that in new democracies, which have fair elections but limited political competition, corruption may even be extensive. Treisman (2000) provides similar evidence supporting this finding and adds that, whilst democracy may not necessarily lead to less corruption, a long duration of democracy tends to limit the phenomenon. Recent empirical work by Rock (2007) clarifies this line of argument by explaining there is “an inverted U relationship between democracy and corruption”. This result maintains corruption may increase initially in a democracy, but as democracy is consolidated and institutions of trust, accountability and transparency deepen, there is a turning point which leads to less corruption; this may occur anywhere between four and 15 years (Rock, 2007). Significantly, adherence to the rule of law and government effectiveness, are found to be the variables of democracy strongly influencing the inverted U relationship.

Other scholars have identified the political structure of the post-colonial states as a cause of corruption (Ekeh, 1975; Bayart, 1999; De Sardan 1999; Sung, 2002). Sung (2002) argues that countries which have been colonised or undergone long periods of dictatorships acquire a political leadership that remains unresponsive and unaccountable. Whilst this argument may stand true for a good number of African countries, which shortly after independence entered a phase of one-party authoritarian rule, this line of thought leaves much to be explained. Botswana, for instance, underwent a period of colonialism but has experienced relatively less corruption than other African countries. Strong state-institutions together with the political will of the leadership, with regards to accountability, are among the factors that differentiate Botswana’s success from her African peers. Hence, this underscores the important role of oversight institutions and political will.²⁰

²⁰ Mehlum et al. (2006) provides evidence to show that the ‘quality of institutions’ in Botswana, a natural resource rich country, explains the absence of the so-called ‘resource curse’ that has blighted certain resource rich countries in Africa.

Indeed, ineffective institutions, a core feature of poor governance, are widely identified as a source of corruption (Nye, 1967; Huntington, 1968; Jackson and Rosberg, 1982; Shleifer and Vishny, 1993; Tanzi, 1998; Sung, 2002; ECA, 2005; Mbaku, 2007). Problems in this area range from weak institutional capacity in enforcing the rule of law to the lack of accountability and transparency within state institutions. Sung (2002:148) advances this argument stressing public officials engage in corruption where there is a convergence of opportunities including institutional facilitators that leads to crime and, importantly, "imperfect institutional watchdogs". This has led to the implementation of checks and balances as a leading anticorruption prescription owing to the fact that the risk of being caught and punished reflects the principal cost of corruption to an offender. Institutional controls and reforms can take different forms including administrative, legal and political restructuring. The literature relating to these areas are examined in the relevant chapters throughout this study. However, as institutional controls remain a recurrent theme in this study, it is necessary to highlight some of its components.

Pope (1999:99) emphasizes that effective anticorruption strategies focus on institutional building - strong internal control mechanisms, enforcement and public awareness - as key goals. Along this line, Mbaku (2000) stresses the remedy for corruption is through reforms of institutional rules, as opposed to measures like an increase in remuneration. Gyimah-Boadi (2002) also makes the case for a multi-pronged anticorruption approach that includes streamlining procedures and limiting discretionary authority. These different institutional measures are widely acknowledged as conventional prescriptions in anticorruption reform. What has not been well explained, in Ghana's case for instance, is the extent to which lack of resources restricts the enforcement of institutional controls. In fact the lack of government commitment to anticorruption can be a tool in creating weak institutions through the inadequate allocation of resources to oversight bodies.

Institutional reforms also have their limitations. Meagher (2005) notes that ACAs in badly governed countries require a minimum threshold of political, legal and economic structures in order to achieve results. Doig et al. (2005) also finds that ACA success is closely connected to adequate resources and consistent funding. These claims appear well-founded. To a large extent, ACAs capabilities are dependent on pivotal factors such as independence and funding, yet these require the political commitment of government which may not be forthcoming. Further, some institutional related measures have proved ineffective in themselves. Alhassan-Alolo (2007), for example, uncovers evidence which casts doubts on anticorruption reform initiatives based on promoting women in the public sector; this World Bank anticorruption approach presupposes that women may be more ethical than men. On the contrary, evidence from work in

Ghana suggests that, when exposed to corrupt opportunities, women are no less corrupt (Alhassan-Alolo, 2007).

In addition, the legal aspect of institutional measures may not be a sufficient condition for effective anticorruption reform. All the same, Ayittey (2000) stresses the use of judicial reforms in tackling corruption, while Mbaku (2007) similarly notes the law as a check on public officers; what both scholars do not underline is the vital role of political will. This matters for the law to be applied. Taylor (2006:282), on the other hand, wants us to believe the prosecution of "big fish", such as former Presidents, can limit corruption through warnings of the accountability it sends to incumbents. Taylor (2006:298) draws on the Zambian case involving the corruption charges brought against former President Frederick Chiluba to argue that such a prosecution challenges the concept of the "impervious big man". This claim is questionable. Post-regime accountability is not new and has failed to serve as a deterrent in most African countries, even when they have involved severe penalties. As will be later outlined, post-mortem prosecution of the so-called 'big men', including former Heads of State in Ghana, was a predominant feature of Ghana's previous anticorruption initiatives. Nonetheless, this approach failed to serve as a deterrent on the occurrence of neo-patrimonialism and corruption as Taylor hypothesizes. Post-mortem measures, for the most part, have been used for political expediency with new regimes failing to pursue incumbent oversight, a key requirement for anticorruption success.

The debate on the cultural underpinnings of corruption remains multifaceted and contentious. Culture encompasses kinship structures, laws, customs, morals and beliefs of a society. Gyekye (1997:12) provides the succinct definition of culture as "the way of life of a people" having a 'positive' significance for society. Yet the 'negative' phenomenon of corruption has been attributed to various aspects of culture – kinship ties, patronage, competing value systems, and tradition of gift-giving - that emerges from the association between state and society (Huntington, 1968; Bayart, 1993; Chabal and Daloz, 1999; De Sardan, 1999). The cultural thesis, for the most part, was often used in the early work on corruption. This section explores some of the cultural arguments. African examples are mainly referenced, as a significant body of work has identified elements within different African cultures as factors that promote corruption. Indeed, most of the alleged cultural attributes of corruption can be found in Ghanaian society - the focus of this study.

Scholars emphasize that close kinship and social networks results in people being more loyal to kin than the state, and thus closely knit cultures, as opposed to individualistic societies, are prone to higher levels of corruption (Scott, 1972; Werlin, 1972; Ekeh, 1975; Medard 1986; De

Sardan, 1999). Harsch (1993) adds to this argument noting ethnic obligations to extended family members as potential factors facilitating corruption. Werlin (1972) suggests public office holders may even assume a level of prestige by having dependants. De Sardan (1999:43) goes further to explain that in the case of a public servant who attains high office, relatives expect to share in the benefits of the position, and adds that "illegal enrichment and nepotism are definitely supported by positive social values".

In the African context, where many societies maintain strong kinship ties, the practice of providing for extended relations is sometimes an expectation. Pressure may even be brought to bear on civil servants to find employment for less well-off kinsmen in the village. Failing to offer assistance to kith and kin can lead to condemnation. However to state categorically, as De Sardan does, that illegal enrichment is endorsed is open to debate; diverse groups may draw the boundaries of acceptable and legitimate behaviour differently. This happens in most societies including those in Africa. All the same, the pressures created by the extended family system may only explain petty corruption, which is mostly pursued by junior public officials. In terms of grand corruption, the argument that 'expectations' on 'big men' compels corruption is debatable.²¹ As this study later outlines, the accumulation of public resources by government elites, for instance, is largely due to weak institutional control mechanisms. Also, recent work by Blundo (2006:36) uncovers evidence which points to the fact that "social actors retain a certain level of manoeuvre" and use the 'social obligation' argument to validate dishonest practices. Once again, the case of Botswana, a country with social structures and culture mirroring those in other parts of Africa, calls into question the cultural critique. What sets Botswana apart in terms of low levels of corruption, as noted earlier, derives mostly from strong institutions and sustained political commitment to anticorruption, as opposed to a variance in culture. Thus kinship ties require examination not in isolation, but within the wider context of factors such as weak institutions and inadequate oversight structures that create opportunities for abuse of public office without accountability.

Corruption has sometimes been attributed to cultures based on patrimonialism. Also expressed as patronage networks, patrimonialism can be described as the practice whereby patrons exploit public authority or resources, which they control, to reward their client base. Patrimonialism may take the form of nepotism, tribalism or bias in the award of contracts. The objective for this is often to attain private ends such as consolidating the hold on political office and maintaining

²¹ Price (1974) explains that 'big men' are those of social worth and responsibility and use the flaunting of wealth, such as a large house together with patronage, to validate their social status.

loyalty.²² Medard (1996:78) refers to the state in Africa as patrimonialized as every agent of the state attempts to use his/her position to "extract resources" for private benefit. Chabal and Daloz (1999:100) go further to contend that patrimonialism in Africa is culturally entrenched and receives limited censure insofar as the fruits are redistributed through patronage logics. With underdevelopment, as in the African case, the state has remained both the largest employer and the focal point of economic activity. An implication of this is that the state has become a key avenue of amassing wealth. But there remains another side to this argument. Szeftel (1998) aptly notes the role of centralized power as a tool in the accumulation of public resources for private consumption. In actual fact, many of Africa's post-independence governments instituted a system of rule which consolidated and personalised power. This system emanated through the fusion of traditional practices, the existence of an embryonic state dominated by a small ruling class as well as the personal ambitions of rulers. Thus extensive power structures, not just culture, must be taken into consideration when explaining the incidence of corruption in this respect.

Competing values in societies that have a legacy of colonialism are alleged to also contribute to corruption. These arguments are not recurrent in contemporary literature, but it is useful to briefly discuss some of the interpretations they provide due to their significance. Colonialism has been variously explained as creating a perception of the state as a foreign entity to be predated upon, a view which has persisted even in the post-independence era. Scott (1972) asserts that stealing from the state is pursued without the ethical principles of right and wrong applied in a clan or tribe.²³ Ekeh (1975) advances the argument in this respect and explains the experience of colonialism in Africa has led to the emergence of two publics - the primordial public and the civic public - in contrast to the existence of one public moral sphere which operates in the West. In the primordial public, where group ties and sentiments influence and determine an individual's behaviour, moral principles govern conduct (Ekeh, 1975). Ekeh also asserts that corruption is "completely absent in the primordial public" (Ibid:110). In the civic public, the public realm linked to government, amoral values are applied (Ibid). These arguments have fuelled the use of terms such as 'culture of corruption' in explaining the African pathology of the phenomenon.²⁴

There remains contrasting arguments to the above observations. Gyekye (1997) argues corruption is not culturally sanctioned and suggests that, fundamentally, individual morality and

²² Theobald (1994:703) similarly explains that patrimonialism involves "a network of personal dependencies". On the other hand, Joseph (1987:55) prefers the term "prebendal politics", borrowed from Max Weber, to conceptualize the struggle for power in order to appropriate public property for the private benefit of the office holder and their client base.

²³ Bayart (1999) adds that the unlawful accumulation of state resources may even be applauded as an accomplishment.

²⁴ Le Vine (1975b:40) argues that by the end of the 1960s Ghana had developed a 'culture of corruption' with "an evolving structure of values that had the effect of rationalizing, if not legitimizing, corrupt behaviour".

ethics play a role in causation. Osei-Hwedie and Osei-Hwedie (2000) painstakingly outline that no traditional society condones or endorses corruption and immoral conduct, such as cheating and stealing, in order to assist another member. In addition, it is instructive to point out that Ekeh's claim, relating to the absence of corruption in the primordial public, is debatable. An example puncturing this assertion relates to the fact that a primary cause for the removal of traditional chiefs in Ghana is attributed to the abuse of authority including the unaccounted sale of stool lands. All the same, the incidence of corruption in the traditional sphere remains minimal. But this scenario, perhaps, also derives from the few openings for accumulating wealth in traditional settings as well as the swift enforcement of penalties in this realm which may be a deterrent.

Overall, the cultural argument has minor relevance, but its role has been overemphasized particularly in terms of strong kinship ties and facilitating patrimonialism and dual values. In Ghana's case, these purported norms do not sufficiently explain the pervasive level of corruption. Indeed, some customs may facilitate the incidence of corruption in the same way as certain political and economic factors. To present a balanced debate, culture needs to be examined within the broad framework of the issues stressed above - weak institutional structures, centralization of power, wide discretionary authority and moral values. In general, the causes of corruption remain contested. A confluence of factors - economic, political, socio-cultural and institutional - best explains the phenomenon's occurrence.

1.4 Methodology

With the objective of assessing the effectiveness of anticorruption in Ghana, the key methods adopted in this study were qualitative and entailed the use of both primary and secondary sources. The triangulation of methods with different weaknesses - interviews together with the analysis of archival and documentary research - was utilized to improve strength of the evidence presented.²⁵ A case study approach was used to examine anticorruption policy and practice within the two areas selected for extended analysis - local government and state-enterprises - drawing on official documentary sources and interview data.²⁶ The choice of these areas was based on the fact that local government decentralization and privatization of state enterprises were undertaken as important elements of accountability reforms in Ghana. Nonetheless these reforms have, ironically, fuelled corruption. The capacity of the complete public anticorruption framework in addressing local government corruption, under the NDC and NPP administrations,

²⁵ Macdonald and Tipton (1993:199) present a useful case that the achievement of validity in research calls for the triangulation of research approaches.

²⁶ Epistemological traditions denote that the use of case studies within social research can serve as a spotlight which reveals a detailed picture of particular social problems (Hakim, 2000).

has not been comprehensively examined. Additionally, no known academic study exists which has assessed the anticorruption process as applied to the government agency that carried out privatization - the Divestiture Implementation Committee (DIC). This makes both areas fitting bellwethers of anticorruption efforts. The cases selected reflect trends in the respective areas, and the failure of ACAs and institutional controls were analyzed in order to understand why this scenario ensued. All the same there are potential weaknesses and the likely biases involving the use of case studies. Yin (1994) for example notes problems of generalisation from cases and acknowledges that criticisms may persist regardless of sample size. Also, the case study method does not facilitate clear-cut cross-country assessment like the subjective CPI does. On the whole, the above approach was adopted whilst taking into consideration other research methods. Time and financial constraints precluded the use of surveys, as vast resources would have been required. Engaging other methods such as participant observation in the area of corruption, which is an illegal activity, raises ethical concerns. Thus the methods utilized served as the best practical alternatives.

The data used in this study was collected in Ghana over two main phases covering a total period of seven months. The first was over the course of a preliminary field trip in May 2004. The second phase was during an extended fieldwork undertaken between September 2005 and March 2006. The primary material consisted of a total of 32 interviews carried out in Accra - five interviews during the preliminary research; 26 interviews during the extended fieldwork and one follow-up interview in June 2007. Interviewees comprised key informants - anticorruption agency officials, Members of Parliament (MPs), bureaucrats, donor community representatives, civil society leaders, academics and media practitioners. The interviews were mostly structured and conducted in a face-to-face format. Questions were open-ended and centred on anticorruption policy, practice and limitations to accountability measures. In the case of anticorruption agencies, the interview questions also touched on selected case studies which I had pre-examined in official documents and reports. Probes and follow-up questions, where relevant, were introduced to clarify or elaborate on answers provided. It is worth mentioning that even though I designed interviews to be structured this did not always proceed as planned. Some interviews drifted into unstructured (informal discussions) but proved constructive. The analysis of interview transcripts for themes, concepts, trends and constraints to anticorruption efforts forms part of the findings reported in this study.

In terms of official documents, Acts of Parliament, decrees and other anticorruption related statutes were examined. The primary material consulted, consisting of a first-hand account, were the records of the Ghana law reports, parliamentary debates and stand-alone records from the

Public Accounts Committee of Parliament.²⁷ Other written primary sources used were the reports of the remaining public ACAs - CHRAJ, SFO and Auditor-General. The drawback with the data from these ACAs is that only a selected number of cases, purportedly representative, are published. Nonetheless, this weakness is moderately mitigated by the fact that the Auditor-General and CHRAJ reports are noted for accuracy, consistency and being devoid of political manipulation. Auditor-General's reports, for example, contain performance audits covering government ministries, departments as well as other public bodies and details how public funds have been utilized. The audit reports have, since independence, continuously offered a thorough account of incumbent corruption during both military and civilian administrations. The reports of the above anticorruption institutions together with audit records were reviewed for examples falling into the categories of the extended case studies - local government and state-owned enterprises. Cases that were representative of different patterns in anticorruption were next selected for analysis. Government compliance with recommendations, where applicable, was noted. The data was further analyzed for the enforcement trends of anticorruption policy by comparing the NDC and NPP administrations' record. Similarly, the PAC reports were examined for action on anticorruption proposals. Investigation patterns and the extent to which implicated senior incumbents were made accountable was taken into consideration. Where recurrent acts of corruption emerged, cases were also assessed to determine whether they originated from non-compliance or inadequate implementation of previous anticorruption recommendations for improved institutional controls.

The secondary sources consulted included articles, books, journals and newspapers. Publications from Ghana-based think-tanks, such as the Center for Democratic Development (CDD) and the Institute of Economic Affairs (IEA), in particular, provided a significant wealth of corruption data. In some instances, the governance material from these reputable think-tanks complemented the official reports on the case studies examined. Newspapers were reviewed for anticorruption related content and this was used as source of background information.²⁸ With respect to press material, there are shortcomings surrounding the use of some Ghana-based newspapers. The two state-owned dailies - *Daily Graphic* and *The Ghanaian Times* - provide little critical reporting of incumbents. On the other hand, sections of the private press are biased either in favour of government or the opposition thus raising concerns of credibility. Even then, some private newspapers - *The Ghanaian Chronicle*, the *Public Agenda* and in some measure

²⁷ The Parliament of Ghana and Padmore African Research Libraries were used for accessing the laws, decrees, legal statutes as well as parliamentary debates. The London School of Economics and Political Science (LSE) library was also a useful source of historical government documentation for the period preceding the Fourth Republic.

²⁸ The British Library (Colindale, London) the Institute of African Studies (University of Ghana, Legon) and the CHRAJ library (Accra) served as valuable sources of archival newsprint.

The Statesman - have carved out a reputation of reliability through consistent and balanced reporting. To address these concerns, the newspapers reviewed took the above constraints into account drawing on evidence-based reporting to complement case study data.

Research on corruption can be a formidable task involving practical and ethical challenges. In Ghana, these difficulties are compounded by the fact that data relating to corruption remains a sensitive matter due to records being exploited for political advantage. Several of these methodological challenges materialized during fieldwork. Firstly, the sensitive nature of the subject under study brought about issues of access.²⁹ With reference to donors and think-tanks, an introductory letter from my supervisor proved a sufficient reference. Developing relationships was also an important mode of overcoming access barriers. In this respect, snowballing was helpful as contacts within civil society groups such as the Ghana Anticorruption Coalition and Ghana Integrity Initiative served as links to prospective interviewees in government and anticorruption institutions. But in other instances, I needed to explain my background in detail and the reasons for undertaking my research. Indeed, openly declaring to a government department or agency in Ghana that I was researching anticorruption could have raised problems of admission. Thus where access was envisaged to be tricky I presented myself as researching 'public sector management'. This seemed to be a rather broad area within which my research fell, but all the same less threatening. In spite of this, some officials appeared suspicious. This was reflected in different questions ranging from my ethnic group to family relations. In one case, even though I had successfully navigated access and secured an interview with a senior bureaucrat, suspicions still lingered. The official's first statement, before the interview began, was to ascertain whether there were any political motivations behind the proposed interview. In another instance, the significance of gatekeepers, who in Ghana maintain a powerful presence in granting access to data and interview subjects, was encountered. In this case, an interview with an accountant at a government agency was terminated abruptly by his superior. Although the accountant had agreed to the interview, and was providing insight into fraud techniques and his outfit's responding anticorruption strategy, the superior asked for clearance to be sought from the agency's overall head.

The second challenge related to the lack of official data. One dimension of the problem with official data relates to non-restricted published anticorruption reports which were unavailable in the public domain.³⁰ Poor record keeping accounts for some of the issues in this respect, but

²⁹ Access in certain areas of social science research is a noted problem. As Lee (1993) makes clear, sensitive research topics raises fears about the threat of sanctions through the revelation of deviant activities by the researcher.

³⁰ As of February 2006, Ghana's leading libraries such as Padmore African Research Library, the Balme Library of the University of Ghana (Legon) and the Parliament Library did not have current copies of anticorruption reports.

secrecy also surrounds many aspects of official records, even when these are not deemed confidential. One resolution to this problem involved soliciting copies of official publications from senior officials I interviewed, but this did not always resolve the data issues. In one scenario, a public agency's reports could neither be obtained from all the public libraries nor known contacts. On approaching the government outfit in question, an official indicated that my cause will be facilitated if I "did something". I interpreted the expressions to be some form of 'gratuity'. This issue presented an ethical dilemma - I had to mull over the circumstances and whether I was contributing to corruption. The reports were not for sale, but for some unknown reason, whether deliberate or unintended, they were unavailable in the public domain to the best of my knowledge. I complied by offering the official money. This payment smoothed admission to a stock room with a considerable wealth of information. Numerous copies of the reports, dating back to at least 12 years, were discarded across the room. The privilege of going through the different piles to select those of interest was further granted. The last dimension to the official data problem concerns the fact that even when data was publicly available it remained on many occasions outdated. This was because various reports lagged publication from two to six years in arrears. CHRAJ annual reports, for example, were about three years in arrears as of 2007. This makes the lack of current data a weakness in some sections of this study.

The third methodological challenge concerned the modification of the research plan and data collection methods as a result of unfolding events. For example, the accountability process within the Ministry of Roads and Highways was initially earmarked as a prospective case study. In fact a contact had been established within this Ministry in 2004 and a preliminary interview had already been conducted. Yet by the time of the extended fieldwork, a corruption scandal was brewing that involved this sector's Minister. After careful consideration, I altered the research plan. This was because the Ministry's position in the limelight did not provide a conducive setting in which a productive study on accountability measures could have been conducted. Thus I decided to examine the Ministry through one of the state corporations that had once been under its supervision - Ghana Airways - and how anticorruption institutions had responded to the fraud in this state enterprise. With respect to the alteration in data collection methods, my plan was to do audio recording of some interviews, but events in Ghana once again required a change to only taking notes. Around the start of the extended fieldwork, a secretly taped interview of the then NPP chairman, Haruna Esseku, had created a furor. The so-called 'kickback tape', which was played on private radio stations, captured the ruling party chairman unguardedly venting his frustration about problems with party funding. The party chair alleged the funding crisis was partly because the President's office maintained control over 'contributions' (kickbacks) made by contractors who had been awarded government projects. It

is likely that a direct consequence of this tape was the acute awareness amongst some politicians who I subsequently interviewed. In one case, a politician asked twice whether I had any recording device. This, I assume, created a scenario where some interviewees were not forthcoming with critical remarks during discussions.

The fourth methodological issue involved confidentiality. Even though prior to interviews the purpose of my research was clearly outlined and consent was sought, the ethical dilemma of protecting sources still emerged. In some cases, interviewees tendered evidence or made comments they requested not to be reported. These have been uncomplicated and confidentiality has been maintained. But in other cases it has been necessary to re-examine segments of evidence presented and, despite the usefulness of some data, the decision has been taken not to report the details. This is due to the potential consequences for those involved as they are still in public service together with the difficulty of concealing the sources in question, even if reported as anonymous.³¹ Protecting sources was also manifested during the field research. In one instance, an interviewee wanted to know the institutions where I had conducted interviews and the views participants had articulated. Carefully declining to divulge the opinions expressed, for ethical reasons, and at the same time not offending the interviewee and maintaining relations to continue the discussion proved challenging.

1.5 Outline of the study

Chapter 2 provides an historical account of anticorruption in Ghana. This covers the period between independence in 1957 and the inauguration of the Fourth Republic in 1993. Although this study focuses on Ghana's current anticorruption framework, the historical knowledge of previous accountability reforms remains essential. This is because it helps us understand the factors that accounted for the failure of past measures some of which still remain established. The major anticorruption measures applied in this period - commissions of enquiry, legislation and extra-judicial measures - are analyzed. What this chapter underlines is the fact that effective corruption control eluded all regimes which ruled Ghana prior to the Fourth Republic. As a result, an attempt is made to highlight the underpinning limitations of these previous measures. Case studies are also utilized to outline the lack of commitment by incumbents to institute reforms despite robust evidence of corruption in processes such as the use of import licences. Given that the justification for several *coup d'états* in the pre-Fourth Republic era was premised on corruption, the contribution of incumbent abuse of public office to political instability is explained.

³¹ Punch (1994:92) validly makes the case that some institutions and people are "almost impossible to disguise" and participation in research could possibly lead to exposure.

The institutional landscape of Ghana's present anticorruption framework is assessed in chapter 3. The mandate, structure, functions and legal context within which public ACAs - CHRAJ, SFO, Auditor-General and PAC - operate are evaluated. The return to the past system of post-regime accountability, following the change of government in 2001, raises questions about the capacity of ACAs with respect to effective incumbent oversight. As a result, institutional independence and the enforcement trends of ACAs are reviewed through examples discussed in order to map out their successes and constraints mainly relating to executive oversight. Further, an assessment of how resource limitations impinge on the effectiveness of public ACAs is undertaken. The methods used in post-regime accountability and the implications of such actions are also outlined.

Donors, civil society and the media play an integral role in the anticorruption arena. How these bodies influence anticorruption policy and complement the work of public ACAs is the focus of chapter 4. Donors have been extensively identified as architects of anticorruption policy through conditionalities and promotion of the good governance agenda. Thus an attempt is made to establish the influence and contribution of donors in Ghana's anticorruption process. This is done by examining the role of three of Ghana's donors - the World Bank, the United Kingdom's Department for International Development (DFID) and the United States Agency for International Development (USAID) - in terms of their work with government and Civil Society Organizations (CSOs). An attempt is also made to determine whether the governance rhetoric by donors is followed by censure when government demonstrates a lack of political will to implement proposed reforms.

Ghana has an active media which have been buoyed by constitutional guarantees of a free press. At present, newspaper column inches devoted to corruption remains sizeable, and one observation that runs through this study is the fact that the private media have played a significant role in instigating some landmark corruption investigations. Evidence is presented to assess the input of the media. The limitations faced by the press, including resource constraints and access to official information, are similarly explored. CSOs are an influential lobby in governance. Their role extends from bottom-up initiatives such as anticorruption grassroots awareness campaigns to putting forward policy reform proposals. The efforts of CSOs, together with government response, are additionally assessed in chapter 4. The challenges affecting the anticorruption role of these non-state actors are also outlined.

Chapter 5 presents case study evidence of the operation of public ACAs in tackling corruption in local government. As noted above, Ghana's decentralization reforms were partly aimed at

improving local government accountability. Yet the current local government system, in the form of District Assemblies (DAs), is widely perceived to be corrupt. At the same time, anticorruption efforts in this area have largely gone unstudied due to the extensive focus on corruption at the national level. Drawing on empirical evidence, the capacity of the public institutional framework in addressing irregularities within three corruption prone areas of DAs - the award of contracts, procurement and revenue collection - is analyzed. The extent to which corruption at the local government level derives from the powers conferred by decentralization reforms together with weak institutional oversight mechanisms are also considered.

Chapter 6 looks at the role of anticorruption institutions in tackling corruption within Ghana's state-owned enterprises and the process of privatizing state corporations. The state enterprise case study attempts to map out lessons from Ghana Airways, once a serial loss-making business. In fact this airline was the archetypal state corporation primed for privatization, according to the government's own criteria for divesting non-profitable state corporations, but Ghana Airways was neither privatized nor reformed. This chapter seeks to outline how weak oversight, mismanagement, and the exploitation of a lax regulatory environment by ruling party officials and senior bureaucrats contributed to the airline's demise. The extent to which limited political commitment to restructure this state-enterprise compounded its troubles is also considered. Privatization, on the other hand, has been advocated as an antidote to the corruption in state enterprises. Incumbent abuse of this process has led to widespread corruption and spawned a return to post-regime accountability. Thus chapter 6 further examines the paradox of how the intended remedy of privatization contributed to fraud. The role of anticorruption institutions in addressing privatization related corruption is also assessed.

Chapter 7 is the conclusion to this study. The key findings, lessons learnt and implications for anticorruption policy in Ghana are presented. Additionally, the limitations of this study together with recommendations for future work are put forward.

Chapter 2

Ghana's anticorruption experiments, 1957- 1993: History repeats itself

Corruption has characterized the sick, soft underbelly of successive governments in Ghana, a festering sore in the Ghanaian body politic that gradually spreads its poison, *inter alia*, aborting one embryonic regime after another.

Ray (1986:16).

2.1 Introduction

Anticorruption, as a course of action, antedates Ghana's independence in 1957. During the period of 'self-government' in colonial Gold Coast, senior government officials allegedly engaged in corruption.³² As an anticorruption measure, the Korsah Commission of 1954, for example, examined bribery allegations which had prompted the resignation of J.A. Braimah in 1953. Braimah quit as Transport Minister on the Executive Committee (Cabinet), after admitting receipt of £2,000 from a businessman who was awarded a contract.³³ Also, the Jibowu Commission of 1956 investigated the affairs of the state-owned Cocoa Processing Company (CPC). The enquiry revealed that the CPC had been used as a source of patronage to support the governing Convention People's Party (Le Vine, 1975b). Following independence, corruption scandals have come thick and fast, and Ray (1986) is accurate in arguing that corruption has been a distinctive attribute of Ghana's governments. What was markedly absent over the post-independence period assessed in this chapter was an effective system that brought corrupt incumbents to account. Indeed, as observed in table 2.1 below, successive civilian governments have been interrupted by coups (and counter-coups) with claims of corruption topping the list of the military's motivating grievances. Yet the evidence also tells us that military regimes have not fared better than civilian administrations as they have similarly indulged in corruption.

It is thus not surprising that by the early 1970s Ghana is thought to have carried out and published more anticorruption investigations than any other third world country (Werlin, 1973). The enthusiasm for anticorruption measures, conducted in a post-regime format, mainly accounted for the large number of investigations. But, given that post-mortem accountability has borne the imprint of incumbents, accusations of political retribution have ensued. Successive administrations have consequently questioned and reversed the penalties against some individuals. Over the period under study in this chapter, the anticorruption measures used by the different administrations ranged from the promulgation of laws to the establishment of

³² The first general elections in the Gold Coast colony, as pre-independence Ghana was then known, were held in February 1951 after a new Constitution had been written. The Convention People's Party (CPP) won the majority of seats in the Legislative Assembly, and Kwame Nkrumah of the CPP, became 'Leader of Government Business'. This position was renamed Prime Minister in 1952.

³³ Although the Commission did not explicitly indict Braimah, the evidence reported influenced the fact that he was not recalled into government (Le Vine, 1975b).

committees of enquiry into specific areas of government activity. Some military regimes additionally applied severe ad hoc penalties under the guise of 'revolutionary justice'.

Table 2.1 Summary of Ghana's post-independence regimes (1957-1993)

Period in office	Regime	Head of government	Mode of accession into office
1957-1966	CPP	Kwame Nkrumah	Elections
1966-1969	NLC	Joseph Ankrah/ Akwasi Afrifa	Coup d'état
1969-1972	PP	Kofi Busia	Elections
1972-1975	NRC	Ignatius Acheampong	Coup d'état
1975-1978	SMCI	Ignatius Acheampong	Regime purge
1978-1979	SMCII	Fred Akuffo	Internal putsch
1979	AFRC	Jerry Rawlings	Coup d'état
1979-1981	PNP	Hilla Limann	Elections
1981-1993	PNDC	Jerry Rawlings	Coup d'état

Source: Pellow and Chazan (1986)/ Author's revision.

This chapter traces Ghana's anticorruption efforts from independence in 1957 up to the inauguration of the Fourth Republic in 1993. This is important due to the fact that Ghana's past experience appears to have influenced the present adoption of an independent anticorruption mechanism. Further, the historical analysis undertaken here will provide a backdrop for juxtaposing the merits of the post-1993 autonomous institutional framework for controlling corruption, which remains the focus of this thesis. Overall, two central arguments are made in this chapter:

(1) Across Ghana's past regimes, there was a nonexistent /weak system of incumbent oversight. The lack of political will accounted mostly for this flaw leading to the recurrence of corruption and the implementation of post-regime anticorruption measures.

(2) Post-regime accountability measures, for the period under study, were unsustainable in the long-term. This was due to their politicized, haphazard and/or quick-fix attributes.

Each of the past regimes deserve a standalone study, but the assessment in this chapter is done at a general level to provide a coherent background of the key anticorruption measures undertaken by successive administrations. An attempt is made to outline the type of anticorruption mechanisms pursued, the underlining motivations for their use as well as their effectiveness and limitations. Additionally, the irregularities surrounding the import licence system are utilized as an example to demonstrate how the lack of political will to implement reforms resulted in the maintenance of a discredited process.

The next section begins with an examination of the anticorruption efforts carried out by the first post-independence government - the Convention People's Party.

2.2 The Convention People's Party (CPP) government (1957-1966)

During the CPP's tenure in government, rhetoric, commissions of enquiry and the promulgation of laws formed the backbone of anticorruption. President Kwame Nkrumah, the CPP leader, dictated the direction of anticorruption policy but this emerged mainly as a reaction to allegations of corruption.³⁴ For example, rumours of corruption involving senior members of the CPP became rife in 1961 prompting the so-called 'Dawn Broadcast' by Nkrumah.³⁵ In this nationwide broadcast, delivered in the early hours of 8 April 1961, Nkrumah denounced corruption within the CPP and government. Indeed the President sounded frustrated, while stressing "I have stated over and over again that members of the Convention Peoples Party must not use their party membership or official position for personal gain" (Nkrumah, 1961).³⁶ Although this suggested Nkrumah's awareness of corruption within his administration, there was only a measured response. The President asked that corruption allegations be reported to the CPP Central Committee for investigations. Such a move appeared unlikely. The fear of backlash from the powerful party machinery would have deterred many from making such statements to the party office.³⁷

By 1962, corruption remained widespread among government officials. Thus the President resorted to another round of condemnation using that year's Sessional Address to the National Assembly. Additional steps were also taken such as the enactment of the Public Property (Protection) and Corrupt Practices (Prevention) Act, 1962 (Act 121). This piece of legislation made both the stealing of public property and the failure to report knowledge of corruption an offence. A study of Act 121 however reveals that it was redundant as Ghana's Criminal Code, 1960 (Act 29) already had elaborate sections dealing with corruption. Jones (1976) interestingly suggests a motive for the above legalisation citing a case surrounding one of Nkrumah's prominent Ministers, Krobo Edusei. In fact Edusei, whose name will recur in this chapter, was the antithesis of Nkrumah's socialist agenda.³⁸ A long-serving Minister in the CPP

³⁴ Kwame Nkrumah was Prime Minister until Ghana became a Republic in July 1960 when he assumed the role of executive President.

³⁵ Rumours swirled partly because certain members of government made no secret of their lavish lifestyles which did not appear to be commensurate with the incomes of public office holders.

³⁶ The 'Dawn Broadcast' also saw Nkrumah introduce travel restrictions as an attempt to curb graft within his administration. The President stipulated that approval must be sought from himself or the cabinet before any travel outside the country was undertaken.

³⁷ The state-media went into overdrive with platitudes. The *Daily Graphic*, for example, sensationally carried the headline "The Guilty Died at Dawn" before moving to elaborate on how President Nkrumah had "fired death-dealing" shots at corruption and patronage among other malpractices (*Daily Graphic*, 10 April 1961).

³⁸ Rimmer (1992:47) notes that the name of Edusei became a "byword for flaunting" presumably ill-gotten riches.

administration, Edusei was colourful and had a good penchant for making money using his government position. In April 1962, it was revealed that Edusei's wife had purchased a £3,000 gold-plated bed from a store in London as a remedy for her infertility (Jones, 1976). Edusei was sacked as a government Minister, but the bed episode may have been the tipping point and not the only cause for his removal from office. Edusei spent a short period on the sidelines and was quickly reinstated as a Minister five months later. Although a liability, Edusei's unyielding loyalty to Nkrumah was a driving force in his continued appeal to the President.³⁹ The enactment of Act 121 appears to have been only a cursory attempt to demonstrate the government's concern about corruption.

Another law, the Corrupt Practices (Prevention) Act, 1964 (Act 230), was subsequently passed as a speedy measure to control mounting corruption but it added little value to what was already on the statute books. Instead, Act 230 created a lengthy process for investigating corruption. This was to begin with an oral or written report to the President detailing allegations of corruption. The mode by which ordinary citizens could gain access to the President to make an oral petition was not outlined. On receiving complaints, the President was to institute a commission of enquiry to establish veracity. Even when the commission reported adverse findings, the Attorney-General, a government Minister, retained the prerogative on whether to initiate criminal proceedings (Twumasi, 1985). The key difference between this law and what was already on the statute books was the 'formal' powers it gave the President to launch investigations using commissions.⁴⁰

Commissions of enquiry as an anticorruption tool also yielded little effect. An example here is the commission of enquiry established in 1964, under Justice Akainyah, to investigate the alleged malpractices in the area of import licences. Briefly, import licences were introduced by the CPP government in 1962 to manage the shortage of foreign exchange.⁴¹ Licences provided companies with access to foreign currency for imports at the official rate. The underlying rationale was twofold. Firstly, such a mechanism was to help with prioritizing allocations for key imports such as medicines and 'essential commodities'.⁴² Secondly, this scheme was viewed as

³⁹ It is worth adding that a competent member of the CPP like Komla Gbedemah, who also served as Minister of Finance between 1954 and 1961, was shown the exit for criticizing Nkrumah. In contrast, Edusei remained an important member of Nkrumah's inner circle partly due to the fact that he was vital to the CPP's hold on his home region of Ashanti. Further, Edusei did not have ambition's to lead the party and was thus not perceived as a threat to Nkrumah.

⁴⁰ In any case, Nkrumah could have ordered enquiries using other procedures within the prevailing criminal justice system.

⁴¹ The huge amount of foreign exchange spent in establishing various state-enterprises played a role in the shortage.

Additionally, the slump of cocoa prices on the world market (then Ghana's principal source of foreign currency) also played a part. Cocoa prices fell from £352 per tonne in 1958 to £140 per tonne by 1966 (*The Economist*, 5 March 1966).

⁴² 'Essential commodities' was the term used in Ghana to refer to key food and household items such as milk, sugar and soap which were then mostly imported.

a regulatory system to ensure that Ghana did not import more than was necessary using its limited amount of foreign currency. In practice, things turned out to be different. Grinding bureaucratic procedures meant that companies had to persevere through various processes which created avenues for rent-seeking by gatekeepers. Worse still, limited checks resulted in licences becoming a lucrative business due to the substantial profit margins between the official and black market rates.

The Akainyah Commission on import licences detailed forgery as the key problem. Recommendations were thus put forward by the Commission for a red rubber stamp to be used in certifying import licences granted extensions beyond their expiry date. Even though this proposal seemed easily replicable, Justice Akainyah confidently concluded that the recommendations would be a “stop-cork” to the fraud associated with import licences and deter potential entrants into the racket (Akainyah Commission 1964:38). Nonetheless, the central cause of malpractices was the discretionary authority given to the Minister of Trade in issuing import licences. Coupled with this were limited checks and a lack of transparency in the licence allocation process. The core issues, in effect, had been side-stepped but the possible motives of the Akainyah Commission’s failure to report these problems became evident after the CPP was out of government. The Ollennu Commission, another enquiry set up to investigate import licence irregularities, revealed that Akainyah’s wife was deeply involved in the import licence racket. The evidence pointed to a close association between the CPP Minister of Trade, Kwesi Armah, and Mrs. Akainyah. Witnesses testified before the Ollennu Commission with corroborated evidence that Mrs. Akainyah corruptly acted as an ‘agent’ for prospective import licence applicants and took 10 percent of the value of licences as a commission (Ollennu Commission, 1967).⁴³

Other tools of anticorruption, such as the Public Accounts Committee (PAC) of the National Assembly, did not exercise their oversight functions. The evidence indicates that a very dismal situation was detailed by the Auditor-General in 1964 regarding malpractices and a lack of compliance within public boards and corporations; some institutions had even failed to submit accounts for years (PAC, 1964). PAC responded by noting alarm at such negligence (Ibid.).

In general, incumbent oversight was severely constrained under CPP rule. The lack of political will to enforce the numerous laws may have been the central factor accounting for failure in

⁴³ The Commission also revealed that Justice Akainyah had intervened in the licence process by asking the Minister of Trade to issue a licence to one of his wards, Obed Mensah, under a false name (Ollennu Commission, 1967). The Commission concluded this was fraud but did not establish that money had changed hands.

curbing the abuse of office. In addition to foreign currency and essential commodities shortage, the economy began to show other signs of weakness as the annual rate of growth declined from 4.5 percent in 1964 to 3.3 percent by 1965 (*The Economist*, 5 March 1966). At the same time, the majority of state-owned enterprises, in which a tidy sum had been invested, were loss-making. Endemic corruption was to blame in some of these industries, while others were simply not viable. It is worth pointing out that the CPP had by then used political repression to consolidate its position in government. The Preventive Detention Act of 1958 was one piece of legislation the administration utilized in tightening its grip on power. This law empowered government to detain an individual for a period of up to five years - without trial - on a charge (or suspicion) of committing an offence deemed damaging to the state's security (Buah, 1998). Nkrumah misapplied this law and used it to stifle political opposition. It was not only the leaders of the main opposition, the United Party, who bore the brunt of the Detention Act, but certain CPP members who fell out with Nkrumah or were assumed a threat to his rule were also detained.⁴⁴ In 1964, Ghana officially became a one-party state, after a constitutional amendment, and the CPP was declared the only legitimate political party.⁴⁵ All the above factors combined to create a precarious state of affairs. In February 1966, while Nkrumah was out of Ghana, the government was removed from office by the military in co-operation with the police.

2.3 The National Liberation Council (NLC) regime (1966-1969)

The NLC was established as Ghana's government by the military/ police officers who toppled the Nkrumah regime on 24 February 1966; General Joseph Ankrah was installed as the Council's Chairman and Head of State. The NLC outlined that the basis for the military intervention included Nkrumah's increasing tyranny and the widespread corruption in government. As a result, the regime swiftly instituted anticorruption investigations in a post-mortem approach. These took the form of commissions of enquiry chaired by senior judges. Altogether, about 40 commissions were established covering wide areas of public office, key CPP officials as well as businesses linked to the party (Werlin, 1972; Le Vine, 1975b).

The Apaloo Commission, for example, looked specifically into Kwame Nkrumah's properties. The Commission detailed that kickbacks ranging between 5 and 10 percent were paid to the CPP on the back of government awarded contracts. This scheme is said to have raised more than \$5 million, between 1958 and 1966, with these monies serving as fund for former President Nkrumah's private expenses (Apaloo Commission as cited in Werlin 1972:252). Other kickbacks

⁴⁴ Two of the opposition's leaders - J.B. Danquah and Obetsebi Lamprey - died in detention.

⁴⁵ Amonoo (1981:54) accurately explains that the constitutional amendment, for a one-party state, was just the recognition of "a de facto situation".

are noted to have gone directly to the former President. Nkrumah's economic advisor, for instance, detailed that an American firm, Johnson & Johnson, had paid Nkrumah £127,758 (*Daily Graphic*, 23 March 1966).⁴⁶ The Apaloo Commission also uncovered that Nkrumah had a bank balance in excess of his total earnings (Apaloo Commission as cited in Jiagge Commission, 1967). The Nkrumah investigations concluded with the enactment of the Kwame Nkrumah Property Decree, 1967 (NLCD 154), which confiscated properties owned not only by Nkrumah, but also those of his wife, children and mother. This extensive action raised questions of political vendetta.

The Jiagge Commission, which was charged with investigating 33 individuals, mostly CPP Ministers, serves as a more archetypical example of the NLC era enquiries. This Commission ran for about two years, held almost 360 sittings and admitted over 600 exhibits tendered in evidence.⁴⁷ Also, a diverse range of 160 witnesses were called to testify. The powers of a High Court, in terms of perjury and contempt, were conferred on the Jiagge Commission. But, the balanced and detailed approach of the Commission's work lessened accusations of a witch-hunt. One example is that of Krobo Edusei, the CPP Minister, who had been embroiled in the 'gold bed' episode. The Jiagge Commission uncovered that Edusei had invested a vast fortune in properties which appeared to exceed his known income. In defence, Edusei testified that between 1934 and 1950 he worked in a wide range of professions which spanned stints as a mines surveyor assistant, cocoa sampler, press reporter and debt collector. At some point during colonial rule, Edusei even claimed to have operated a private justice system which imposed fines in his native region of Ashanti (Jiagge Commission, 1968). All the same, earnings from the legendary careers above were noted to be immaterial relative to the former Minister's wealth. Edusei's total net income, from when he entered public office as member of the Legislative Assembly in February 1951, was calculated by the Commission as amounting to £44,356. This took into account all ministerial allowances. But Edusei had acquired over 18 properties mainly in Accra and Kumasi. One property alone, Ashanti House, was estimated to have cost around £34,770. This house, built in Accra around 1961, had a tennis court, swimming pool and 28 chandeliers among other luxuries (Jiagge Commission 1968:120).

Edusei still made attempts to justify the source of some properties arguing, for example, that his London flat was a 'gift' from a German businessman. Additionally, the former Minister argued that he had engaged in a "profiteering trade" during the Second World War by purchasing goods

⁴⁶ Senior CPP officials such as Kofi Baako, a former Defence Minister, added that "Nkrumah was not a genuine leader but a fraud" (*Daily Graphic*, 23 March 1966).

⁴⁷ The evidence included income tax returns and independent reports on properties valued.

from department stores and selling them at excessive margins (Jiagge Commission 1968:95). The point Edusei wanted to put across was that the wealth in question had been acquired before he entered public office. Although this was to form a good part of his defence, Edusei failed to name a single customer when called upon by the Commission. There was a long list of other inconsistencies. For example, when invited to name the numerous suppliers who had provided the special coupons (chits) that granted him access to the goods traded, Edusei claimed they were dead or had left Ghana. An extensive record of 'unlawful income', typically bribes paid to Edusei to obtain government contracts, were also detailed in the Jiagge Commission's report. In fact, some of those who had paid for the former Minister's influence confirmed this on the witness stand. The Commission concluded that six properties had been lawfully acquired but adjudged that a total of about £307,000 of Edusei's wealth had been derived from unlawful income (Jiagge Commission 1968:168-9). This included houses, cars and supposed gifts. The Commission's recommendation that these properties be confiscated by the state was carried out.

The other thirty odd CPP members investigated by the Jiagge Commission received similar hearings that were characterized by respect for due process.⁴⁸ While strong evidence of abuse was unmasked by the NLC era commissions, the long-term effectiveness of these anticorruption measures was limited. Firstly, those identified as having embezzled funds were directed by government white papers to refund the amounts involved. In other cases, properties were simply confiscated. No concrete efforts were made to strengthen oversight systems in public office with the purpose of minimizing recurrence. Instead, the NLC government issued a rallying call asking public servants for re-dedication to the nation. Secondly, in the corruption prone area of import licences, the Ollennu Commission, which was appointed by the NLC, reported back detailing the patterns of abuse. The evidence presented indicated that the discretionary authority over licence allocation had allowed senior officials such as CPP Minister of Trade, Kwesi Armah, to abuse the process.⁴⁹ Yet, no reforms were implemented. In fact the Auditor-General's reports for the period 1967 to 1969 indicated that other patterns of embezzlement, maladministration and fraud, which had characterized state-enterprises during the CPP era, similarly continued during NLC rule. Lastly, the fact that General Ankrah, the Head of State and NLC chairman, was forced to resign in 1969, due to allegations of bribery, indicated the new leaders were similarly prone to the ills that inflicted their predecessors. General Akwasi Afrifa, who replaced Ankrah as Head of

⁴⁸ Hansen and Collins (1980) argue that, besides corruption, there was also an attempt to discredit the previous regime. This relates to the sordid private details recounted in other commissions of enquiry which projected some former officials as immoral and hypocritical.

⁴⁹ The Ollennu Commission was not charged by the NLC to make recommendation on reform, but only investigate the irregularities and malpractices in the allocation of import licences under the CPP.

State, brought no charges against his predecessor. Overall, the NLC anticorruption methods were mainly short-term measures directed towards post-regime accountability.

After the Second Republican Constitution of 1969 had been approved, general elections were held in August 1969.⁵⁰ The NLC handed over to the Progress Party which won the majority of seats (105 out of 140) in the National Assembly.

2.4 Second Republic: The Progress Party (PP) government (1969-1972)

The PP government took office on 1 October 1969 and Kofi Abrefa Busia, the PP leader, became Prime Minister.⁵¹ The 1969 Constitution provided some requirements that can be argued to be anticorruption-related. Article 61 (4), for example, barred government Ministers from concurrently holding another office for profit whether public or private. The rationale of this provision was to limit opportunities for conflict of interest. Also, article 81 (3) spelt out that a commission of enquiry was to be used for investigations of sleaze in government ministries and departments. The National Assembly's Public Accounts Committee (PAC) was another anticorruption body in the Second Republic. The mandate of PAC included acting on the Auditor-General's reports, which had consistently chronicled corruption across successive administrations.

As the NLC regime was considered to have dealt with the CPP era corruption, the PP administration assumed office with little anticorruption cleanup to perform. All the same, the Busia government initially demonstrated a commitment to anticorruption. A few months after taking office, Busia emphasized that dishonesty exhibited at numerous levels of activity posed a threat to the national economy (*Daily Graphic*, 24 January 1970). In view of this, it was not surprising that the PP government initiated an extensive anticorruption public education programme undertaken by the state's Centre for Civic Education. In June 1970, the PP government appointed a five-man Commission of Enquiry into Bribery and Corruption (Anin Commission). This was significant because, unlike the previous administrations, the Anin Commission was not in reaction to a government scandal or a post-mortem act to identify culprits. The measure was evidently proactive. The Anin Commission was charged with investigating the causes, areas of prevalence and modes of corruption in Ghana and to make recommendations.⁵² On the part of PAC, records suggest the committee attempted to push forward recommendations aimed at stemming corruption. For example, PAC outlined proposals

⁵⁰ The CPP had by this time been outlawed and many of the party's key members suspended from holding public office.

⁵¹ Under the Second Republican Constitution, the head of government was the Prime Minister. A non-executive President held the position of Head of State.

⁵² The Anin Commission did not report before the PP government was removed from office.

for equipping and improving training in the public sector. This was to enhance financial management and reduce misappropriation. A free text book scheme that was in operation, but ridden with corruption, also received the serious attention of the committee; practical measures to improve the process were deliberated (PAC, 1970). Altogether, the above actions formed the notable anticorruption contribution of the PP government.

Mounting problems with import licences emerged in the early period of the PP administration. Although licences were allocated for essential items, the imported goods did not appear on shop shelves. In January 1970, a cabinet committee was set up to ensure that only goods that could not be produced locally were granted licences. By February, the government resorted to threatening importers who misused licences. The Attorney-General was also asked to consider legislation to enable the criminal prosecution of those who abused the process. This pointed to government's focus on the demand-side of the problem, as checks within the licence allocation process were not strengthened. Acquiring a licence, through official channels, took at least four months with 'saintly' perseverance. The bureaucratic knots associated with the procedure only encouraged entrepreneurs to get round the process. The PP administration strayed from simplifying the process and presided over much of the supply-side problems which had been ignored by previous governments. Thus the scarcity of essential commodities continued.

Another useful barometer of the PP government's political will to anticorruption is the administration's record on incumbent oversight. This was tested in a case relating to the discovery that J.H. Mensah, the Minister of Finance, had supposedly taken up a directorship in Odumase Farms Limited, a private company. The parliamentary opposition argued that Mensah had contravened the conflict of interest provisions in article 61 (4) of the Constitution. The Attorney-General, who was also the government's Minister of Justice and hence a cabinet colleague of Mensah, jumped to his defence. The Attorney-General maintained that a Minister could not be precluded from a directorship, unless it was proven that the official was receiving remuneration or rewards (*Daily Graphic*, 11 January 1972). The opposition introduced a motion to censure the Finance Minister, but given that the PP dominated the Assembly, this was heavily defeated. The Ghana Bar Association (GBA), the legal profession's representative body, waded into the debate arguing on the strongest terms that it disagreed with the Attorney-General. The argument here was based on Ghana's Companies Code which, theoretically, defined a director of a company as a paid position. This appeared to present little scope for manoeuvre. Yet, one cannot tell what the government's reaction would have been as the GBA statement was made two days before the PP government was overthrown.

Le Vine (1987) also argues that there was public cynicism towards the Busia government's anticorruption credentials partly due to the sudden accumulation of wealth and the lifestyles of PP politicians. Further, there were allegations that the Busia government was siphoning off Ghana's gold to purchase Peugeot cars in Côte d'Ivoire for the party hierarchy (Shillington, 1992). Prime Minister Busia was also noted to rely on patronage (Werlin, 1973). The constitutional requirement of asset declaration, within six months of taking office, proved problematic as Ministers and National Assembly members failed to comply. Overall, Chazan (1983) argues that the scale of corruption was more extensive than it appeared.

Other factors combined to make the PP government's prospects gloomy. Prime Minister Busia had not only sidelined the army with cuts, but the government additionally maintained the dismissal of over 500 civil servants despite a court ruling that this was unlawful. Further, by the end of 1971, the government faced serious economic problems most of which were not of the administration's doing. These included a fall in the price of cocoa, Ghana's key export, which had dropped sharply to about half of its 1969 value of \$1,217 per tonne to \$547 in 1971. The debt to foreign creditors of about \$965 million, which the PP inherited in 1969, also meant huge interest payments (Le Vine, 1987).⁵³ The ensuing effect was a rising balance of payment deficit. Combined with shortages of 'essential commodities' as well as steep unemployment, this created a dire situation. The PP leader's testy relationship with the Trade Unions Congress in the face of all this did not help (Shillington, 1992). In an attempt to contain some of the problems, the government devalued the Ghanaian currency by almost 45 percent against the US dollar in December 1971. The military capitalized on the government's troubles and, as in the 1966 coup, the PP government was toppled whilst Prime Minister Busia was out of the country in early 1972.

2.5 The National Redemption Council (NRC)/ Supreme Military Council (SMC) (1972-1979)

Busia's hypocrisy has been detected...every honest Ghanaian will agree with me that the malpractices, corruption and arbitrary dismissals, economic mismanagement and a host of other malpractices that characterised the Nkrumah regime have come back to stay with us.

Colonel Ignatius Kutu Acheampong

Radio broadcast on 13 January 1972 (Cited in *Daily Graphic*, 14 January 1972).

After the military coup that brought down the Busia government on 13 January 1972, the NRC was established as Ghana's governing body. Colonel Ignatius Kutu Acheampong assumed the position of NRC Chairman and Head of State. Acheampong's broadcast following the military takeover confirmed that the economic crisis the country faced had been used as a pretext for the coup, but this was interpreted as a case of mismanagement. As a result, the NRC Chairman's solution entailed a quick reversal of the PP government's devaluation of December 1971. This

⁵³ The Nkrumah government alone had incurred about \$800 million of these debts by 1966.

was followed by the repudiation of part of Ghana's huge foreign debt. Given that the NRC also identified corruption as motivating the takeover, the regime swiftly initiated a system of post-regime accountability.⁵⁴

Less than a month after the NRC took office, the Taylor Assets Committee was inaugurated. This Committee was armed with a list of former senior officials, and their respective spouses, who were singled out for probing.⁵⁵ In the case of ex-Prime Minister Busia, the Taylor Committee concluded the PP leader had amassed over ₵1 million worth of unlawful income. All the same, some of the evidence in the Committee's report appeared irrelevant when compared to the format of the NLC era investigations. For example, the Taylor Committee documented trivial assets such as the amount of underwear belonging to both Busia and his wife. Based on circumstantial evidence, the Committee also recommended that a car Busia purchased in 1967, before he became Prime Minister, be confiscated. The enquiry explained this position stating: "We do not think that in 1967 he [Busia] was lawfully in possession of money of his own with which he could acquire this vehicle" (Taylor Committee 1974:93).⁵⁶ A similar fate befell the other PP officials investigated. But such rulings were viewed as politically motivated. In all, other than the confiscation of assets, the Taylor Committee made only a limited anticorruption contribution.

The NRC permitted the Anin Commission, charged by the Busia government in 1970 to make recommendations on how to tackle corruption, to continue its work. The Commission reported back in 1974 with a comprehensive road map for reforms. The most important of these was the unprecedented proposal for a permanent anticorruption agency to be established. The rationale here was to create a system that will provide continuous incumbent oversight. The Acheampong regime did not adopt the recommendations. Instead, the NRC administration established a so-called 'Investigative Division' to conduct probes, but in practice this body was used as a debt collecting unit.

In the absence of effective incumbent control systems, patterns soon emerged indicating that the NRC regime was also mired in corruption. By 1975, embezzlement and patronage had become routine practice on an unprecedented scale. The unreformed money-spinning process of import licences, for instance, was fully exploited. This practice became widespread partly due to Ghana's currency being seriously overvalued, thus widening the margins between the black

⁵⁴ The Investigation and Forfeiture of Assets Decree, 1972 (NRCD 19) was enacted to guide enquiries into the acquisition of wealth by the PP administration.

⁵⁵ The Taylor Committee held 259 sittings over a two-year period.

⁵⁶ Busia was a member of Ghana's National Assembly before going into exile in 1959. During the NLC era, Busia served in different public service capacities. These included roles as Chairman of National Advisory Committee, a body that worked on the transition to civilian rule, as well as Chairman of the Centre for Civic Education.

market and official rate of foreign exchange. Well-connected 'big men' together with senior military officials and their mistresses were among the key beneficiaries of misallocated licences.⁵⁷ State officials also colluded with merchants to profit from the shortage of essential commodities. Such goods were allotted to a cartel of traders by the state's distribution agencies at the low so-called 'control prices', and offloaded in the unofficial economy for huge profits. The term *kalabule*, which meant attempts to deliberately defraud in order to make a profit, emerged during this period.⁵⁸ The resulting effect was a hike in prices. Inflation soared past 100 percent by 1976, and by mid-1978, it stood between 150 and 200 percent (Shillington, 1992; *The Economist*, 11 November 1978).

Allegations of corruption involving Acheampong, the Head of State, also turned into a subject of general debate.⁵⁹ The term 'bottom-power', coined around this time, was mostly associated with Acheampong's antics and to some degree those of the regime at large. Generally, this term was a vague reference to the amorous relationships the Head of State was known to have with young women and the ensuing rewards.⁶⁰ Volkswagen Golf cars, which proliferated in the cities, were supposedly among the standard gifts offered by Acheampong. The Auditor-General's reports also cautioned that the office of the Head of State had kept improper records and made "irregular payments and overpayments" (Auditor-General's report 1975:46). These comments gained clarity in the context of investigations carried out after Acheampong was out of office. It was discovered then that Acheampong disbursed personal loans using a state contingency fund; after 1975, no records were kept on the account (*Daily Graphic*, 16 June 1979).

In the face of endemic corruption, the already weak economy showed signs of collapse. In 1975 and 1976, the economy experienced negative growth with real gross domestic product (GDP) at -4.8 and -5.7 percent respectively (EIU, 1980). Acheampong failed to demonstrate competence in handling the predicament, even after taking up the role of Commissioner (Minister) of Finance. The main step taken by the Head of State was giving the NRC a makeover. The ruling Council was purged, senior military leaders were brought into government and the NRC was renamed the Supreme Military Council (SMC). The reorganization was completed with Acheampong promoting himself to the rank of General. There was no respite from the economic situation and

⁵⁷ The *Daily Graphic*, 30 May 1979 edition aptly captured the licence allocation chaos in noting that "everybody became an importer".

⁵⁸ Oquaye (1980:17) suggests *kalabule* emerged from the Hausa word "*kere kabure*" which means keep it quiet.

⁵⁹ Oquaye (1980) details evidence in the form of signed letters by Acheampong requesting import licence allocations for his cronies.

⁶⁰ Rimmer (1992:47) subtly expresses that "cupidity" became a hallmark of public affairs. On the other hand, Nugent (1995:28) uses the term "bottom power" in reference to the "success with which certain young women (with assets of a very special kind!) were able to gain possession of magic chits". Chits were coupons that guaranteed the supply of scarce items, such as essential commodities, usually in large quantities at wholesale prices.

public scepticism became more profound, particularly, due to rumours of colossal corruption in government circles. By the middle of 1977, spiralling food costs meant that the ¢4 minimum daily wage could not feed a family of five for a day (Pellow and Chazan 1986:58).

Although the world price of cocoa, Ghana's principal foreign exchange earner, increased from £450 a tonne in May 1975 to a peak of £3100 in 1977, this failed to ease the economic uncertainties. Shillington (1992) offers the explanation that, when the price of cocoa hit peak levels, corruption siphoned off the gains. This assertion is plausible. Ghana's Cocoa Marketing Board (CMB) was responsible for buying cocoa directly from farmers at an official price set by government. However, there was a marked price differential between what the CMB paid local farmers for cocoa and what was offered to farmers in neighbouring countries. Nugent (1991:71) argues that Togo and Côte d'Ivoire paid farmers a "greater share of the world price than the CMB". This made smuggling a profitable venture not only for farmers but for those in power as well. An example is recounted by *The Economist* of an army officer who compelled cocoa farmers, in Ghana's Western region, to sell their harvest to him at the official price. The produce was then loaded onto three army trucks and sent across the border to Côte d'Ivoire where cocoa prices were supposedly 10 times higher (*The Economist*, 8 September 1979). The use of state resources to engage in this illegal practice is, perhaps, indicative of the blatant corruption of senior army officers during the Acheampong era, most of which went unchecked. In stark contrast, petty smugglers were harshly punished. For example, a circuit court in Denu, located in the Volta region, sentenced a 69-year old woman to two-and-a-half years in jail for smuggling five gallons of kerosene to Togo (Oquaye 1980:19). The injustice was not lost on many.

As the economic hardships began to bite, public opposition to Acheampong's rule also stiffened. The criticisms by the Association of Recognized Professional Bodies (ARPB), an umbrella organization of professional groups, were unrelenting. Sensing the SMC had run out of steam, the ARPB called for a return to democratic rule. By mid-1977, the ARPB was on a collision course with government due to the numerous strikes instigated by the Association's member organizations. The government thus made an effort to curb the ARPB's influence by ordering its accounts to be frozen. Acheampong attempted to cling on to power and proposed a representative system of government which included the military but was not based on parties; this was called Union Government (UNIGOV). Two of the most influential religious groups in Ghana - the Christian Council and the Catholic Bishops Conference - argued against the role of the military in government (Oquaye, 1980). In fact UNIGOV was widely unpopular and a referendum on this plan, held on 30 March 1978, was marred by widespread irregularities, calling into question the government's supposed victory. University students joined the ARPB in

calling for Acheampong to step down. The SMC chairman became embattled on many fronts before the UNIGOV plan could progress. The final curtain came down on the Acheampong era on 5 July 1978 when senior members within the ruling SMC forced the Head of State to sign a prepared resignation letter. The SMC members later accused Acheampong of failing to consult the Council on crucial decisions and running government as a "one-man show" (*Daily Graphic*, 11 July 1978). Yet, the fear of a backlash, due to widespread public disapproval of the regime, may have played a central role. General Fred Akuffo, then Chief of Defence Staff, assumed the role of Head of State and Chairman of the reconstituted SMC that is widely referred to as SMCII.

General Akuffo boldly promised to "scrupulously" stamp out corruption in government (*Daily Graphic*, 21 September 1978).⁶¹ In line with the new leader's rhetoric of accountability, some of Acheampong's corrupt associates in government were either sacked or retired. Enquiries were also instituted into state-owned corporations reputed for fraud. For example, in September 1978, the government tasked the Archer Committee to probe the CMB. Commander Kwabena Addo, the CMB's former chief executive, was revealed to have used his position to privately acquire a farm cultivated by employees of a CMB subsidiary. Further, even though a few months before the probe Addo had been reassigned to the military, the Committee realized that the former chief executive remained on the CMB's payroll. No punitive action was taken against Addo. Similarly, another probe into malpractices at the Timber Marketing Board identified Major-General Edward Utuka, a former head of the Border Guards, as liable for embezzling funds from impounded timber. The Akuffo administration only retired the Major-General. On the whole, investigations did not result in officials being held to account other than removal from office. In another anticorruption stance, Akuffo issued a decree to re-confiscate the properties of Krobo Edusei which Acheampong, Edusei's Ashanti kinsman, had de-confiscated whilst in office. Akuffo's attempt came to naught as the shrewd Edusei had sold the properties once they were released (Oquaye, 1980).

Processes and procedures open to fraud were left unreformed or made more complex. In the case of import licences, reforms effectively created more avenues for the system to be exploited. This is because the SMCII regime introduced a requirement for an 'authority letter' to be obtained from the Ministry of Trade before an importer could clear goods from the ports. Government's rationale here was to restrict the use of black market foreign currency. The administration had failed to acknowledge the role played by public officials in this process. Other anticorruption measures by the Akuffo regime were hard-hitting on sections of the private sector.

⁶¹ Senior SMC officials also joined in the anticorruption proclamations. General Joshua Hamidu, then the newly promoted Chief of Defence Staff, spoke about a "house-cleaning exercise" to fight corruption (*Daily Graphic*, 27 September 1978).

Lebanese entrepreneurs, such as the Fattal brothers who operated a car assembly plant, had their business confiscated for tax evasion and trade malpractices, and they were also deported.

With respect to Acheampong, an investigation into external loans contracted by the NRC/ SMCII administration implicated the former Head of State in dubious loans that were to the disadvantage of Ghana. After this investigation, the government issued a white paper that disqualified Acheampong from holding any public office. In May 1979, the SMCII administration also issued the Armed Forces Miscellaneous Provisions Decree, 1979, under which Acheampong was stripped of his army rank and barred from entering military installations. This was the penalty for Acheampong's purported malpractices, ranging from the illegal allocation of import licences to the award of contracts to friends, which had been chronicled in the decree. Acheampong was subsequently released from 'custody' - a cosy Presidential retreat where he had been held since July 1978 - and ordered to stay within the confines of his village. Acheampong's treatment was interpreted as a pardon and proved to be a sore-point for the SMCII administration. Akuffo had effectively shot himself in the foot by revealing the former leader's corruption yet demonstrating a lack of will to bring Acheampong to account. Respected politicians, including William Ofori-Atta, added to the mounting calls for Acheampong to face trial. These requests were ignored. On the whole, the changing of guard to SMCII fell short of delivering the accountability Akuffo pledged.

Akuffo did well to steer the country towards democratic rule. A Third Republic Constitution was written and general elections were scheduled for 18 June 1979. Handover to a new civilian administration was pencilled in for 1 July 1979. Despite these efforts, Acheampong's lenient treatment continued to haunt the SMCII regime. Coupled with this was the small matter of indemnity for the SMC members written into the new constitution. The 'indemnity clause' under the 1979 Constitution was widely interpreted as absolving the military from future prosecution for their corrupt activities whilst in office. On the contrary, the Chairman of the Constituent Assembly, Justice Azu Crabbe, explained that the provision only limited punishing the military for "seizing power but allow[ed] the principle of a man's accountability for malfeasance to remain" (*West Africa*, 14 May 1979). Nonetheless, doubts remained about a civilian administration's ability to hold the military accountable.

On 15 May 1979 Flight-Lieutenant Jerry John Rawlings, together with a small number of non-commissioned officers, staged a mutiny. The aim was to bring the SMC and senior military leaders to account. What was unsurprising is the fact that the rebellion had come from the lower ranks of the Armed Forces. Indeed, while the lower ranks and their families were affected by the

economic meltdown, the senior officers were mostly associated with the regime in power and benefited from the spoils of SMC rule. The mutinous group detained some senior officers as hostages but the uprising was botched as loyal government forces intervened. The SMC did not read much into this rebellion and as a result the regime failed to recognize the core motive was that of accountability. Instead, the Akuffo regime satisfied itself that elections and the handover to a civilian government was roughly a month away, but in doing so it misinterpreted the underlying discontent within the ranks. The government's initial reaction was to award bravery medals to the soldiers who suppressed the revolt. This was followed by bringing those involved in the rebellion to a public general court-martial on charges of conspiracy to commit mutiny and committing mutiny by violence.

If the subsequent public trial of Rawlings, the first accused, and his five co-conspirators was a public relations exercise intended to display the regime's respect for the rule of law, then it backfired. Rawlings, unrepentantly, used the court-martial as a platform to deride the SMCII leadership for failing to clean-up government. The military hierarchy were also criticized for sleaze which Rawlings noted had taken a toll on the image of the Ghana Armed Forces, while morale within the ranks was low. Rawlings also showed mettle by taking sole responsibility for the mutiny and established the reputation of a potential front-man. The case made by Rawlings was in-tune with the junior army corps and students who filled Burma Hall, in Accra, to follow the proceedings. The first accused was thus repeatedly cheered on. The miscalculation by the SMC in opting for a public trial was crystallized when, in the early hours of 4 June 1979, junior officers and other ranks broke into Rawlings' jail and spirited him away to engage in another insurgency. After a period of intense fighting, the SMC was in disarray and removed from office.

2.6 The Armed Forces Revolutionary Council (AFRC) regime (1979)

Countrymen, I do not wish to recount here the maladministration of the SMC government and the shambles in which this government has thrown our economy...We felt the SMC would do a house-cleaning exercise and put the reputation of the Armed Forces on an even keel before handing over. All attempts to help the SMC do this have failed...In the period at our disposal therefore we have plans for a house-cleaning exercise...If you have been honest in your assignment you would not have anything to fear. But if your hands are soiled, then the full rigour of the law will be brought to bear on you.

Flight-Lieutenant Jerry John Rawlings
Radio broadcast by on 5 June 1979 (Cited in *West Africa*, 11 June 1979)

The coup on 4 June 1979 was an event of blood and thunder. The torrential rain which combined with heavy casualties, including the Army Commander, Major-General Neville Odartey-Wellington, was in stark contrast to the previous military coups of 1966 and 1972. The junior officers and other ranks who led the takeover formed the AFRC and installed Flight-Lieutenant Jerry John Rawlings as the Council's Chairman and Head of State. As suggested in Rawlings' broadcast above, the AFRC's motive for taking power was solely to wage a post-

mortem anticorruption campaign it referred to as 'house-cleaning'. While the main focus of the house-cleaning exercise was on the SMC, the junta revealed that individuals perceived as corrupt within Ghanaian society were also targets. On outlining this anticorruption campaign, the AFRC committed to respect the timetable for the forthcoming elections. The anticorruption plans were received with enthusiasm by the masses. The political parties, for their part, expressed a wary relief that the election programme had not been derailed.

The AFRC junta employed a three-pronged approach to undertake the accountability agenda. Firstly, the Council devised a quasi-judicial system to bring corrupt officials to justice. Secondly, the regime implemented crude economic policies to stop hoarding and *kalabule* (profiteering) as well as halt tax evasion. Lastly, the AFRC instituted a structure to continue the house-cleaning once an elected government was in office.⁶² Altogether, the underlying principle of the AFRC was a radical, albeit, idealistic plan to completely eradicate corruption. Taking the first approach, the new regime's legal system, it was announced on 11 June 1979 that 'special revolutionary courts' had been established. These courts were for the trial of individuals deemed to have committed fraudulent acts against the state. Later, the AFRC retrospectively issued a decree - Armed Forces Revolutionary Council (Special Courts) Decree, 1979 (AFRC Decree 3) - as the legal backing for the courts.⁶³ Decree 3 detailed that the courts would be subjected to the direction of the AFRC which had the right to review sentences among others.⁶⁴ The long list of offences over which the special courts had jurisdiction included abusing public office, the dishonest acquisition of property by a public officer, hoarding and smuggling. The law covered all offences committed since 24 February 1966 - the date Nkrumah was deposed - thus the NLC rulers joined the ranks of prospective defendants.⁶⁵ The penalties, for those whose assets were deemed disproportionate to their lawful income, ranged from long terms of imprisonment to death by firing squad, in addition to the confiscation of unlawful assets. Finally, sentences by the courts could not be appealed or overruled - a measure that was primarily intended to circumvent appeals which might have delayed punishment.

Investigations began with an attempt to determine the finances and assets of senior military officials who had formed the core of the NLC and NRC/SMC together with their henchmen. Personnel who held political office or were seconded to serve in a capacity outside the military,

⁶² Jeffries (1980:397) suggests the AFRC wanted to awaken the masses about their "moral rights" to hold government accountable.

⁶³ AFRC Decree 3 and the sentencing guidelines were only published on 25 June 1979. By this time, the courts had passed judgements which had been enforced.

⁶⁴ The courts consisted of a president and four members appointed by the AFRC.

⁶⁵ The choice of 1966 effectively drew a line under the Nkrumah era which had been investigated by numerous anticorruption Commissions during NLC rule.

such as a state-owned enterprise, were to declare their assets and the means by which they were acquired. Military officers above the rank of Major mostly fell into this bracket. Areas of public administration perceived as corrupt were not spared. Chazan (1983) for example states that all permanent secretaries in government ministries were summarily dismissed.

For their part, the Special Courts dealt swiftly with cases sometimes completing trials in a day. In fact in the early hours of 16 June 1979, only two days after the first sitting of the AFRC courts, Acheampong, the former Head of State, and Major-General Utuka, the former Border Guards Commander, were executed. The death penalty was dispensed by an AFRC special court in line with the sentencing guidelines for abuse of office under Decree 3. Ten days later, on 26 June, six senior military officials were also executed by firing squad after being found guilty by a special court on numerous counts of corruption. These included two former Heads of State – Generals Afrifa (NLC) and Akuffo (SMCII).⁶⁶ In contrast to Rawlings, who had received legal representation during his court-martial, the executed officers were denied the right to counsel.⁶⁷

Figures 2.1 - 2.3 Former Heads of State executed by the AFRC



2.1 General Afrifa (NLC)



2.2 General Acheampong (NRC/SMCI)



2.3 General Akuffo (SMCII)

Student groups and sections of the general public gave the AFRC a ringing endorsement. Some of these groups poured onto the streets of Accra with calls to “let the blood flow” (Oquaye 1980:139). On the other hand, Church leaders and the political parties added their voice to the fray and stressed moderation in the regime’s punishments. Unusually, an editor of the state-owned *Daily Graphic*, Elizabeth Ohene, broke ranks and audaciously wrote that death was not the solution to the corruption problem. There were no further executions and individuals subsequently put on trial by the special courts were handed long prison sentences. But, the controversial rules governing the courts with respect to representation and appeals remained.

⁶⁶ Afrifa was the only individual executed who had not served in the NRC/SMC regime. This prompted suggestions that his execution was not due to corruption as stated by the AFRC. Instead, anecdotal accounts have it that Afrifa’s sentence was an act of revenge for advice he purportedly gave to the SMC leadership – that coup plotters be given the death penalty as a deterrent. Of course, this would have affected Rawlings for his role in the 15 May 1979 mutiny.

⁶⁷ The AFRC’s penalties weighed heavily against the military. This is because senior public servants, deemed corrupt, received less severe sentences than their military counterparts.

The second house-cleaning method was economic-related and focused on the private sector. Businesses in tax arrears were given a seven-day ultimatum to pay amounts outstanding or have assets confiscated.⁶⁸ Queues are reported to have formed outside tax offices with ₵200 million (about US\$73 million) worth of overdue taxes being paid in a week (*Africa Confidential* 1980:1). In an effort to ease the shortage of essential items, the AFRC issued a warning that hoarded goods found in any property would result in the demolition of that building. The AFRC junta also pursued a crackdown on profiteering. Accra's central market, *Makola No.1*, considered a major hub of *kalabule*, was razed in August 1979. Other merchants accused of profiteering received stiff penalties, in addition to having their goods seized. A female cloth trader in Kumasi, the Ashanti region's capital, is said to have had her baby removed from her back before being shot (Robertson, 1983). Some petty corrupt malpractices were punished by public flogging, conducted by the army, with alleged culprits receiving between 12 and 24 strokes.

As a means of self-regulation, the AFRC established a 'Special Committee' to investigate alleged corruption within the ruling Council. Individuals with information on suspected corruption were asked to report them at specified locations including the AFRC Secretariat and regional military headquarters. This proposition seemed impractical. The unruly conduct of the ranks during the AFRC's tenure would have made such a report - to a military outfit - a potential suicide mission. The motive for this supposed mechanism of self-scrutiny was perhaps an attempt to deflect accusations that some members of the AFRC, a regime which had built a reputation of being 'puritanical', were themselves engaged in corruption.

During its three-month tenure in office, the AFRC undertook a rapid anticorruption exercise. In this period, the junta's courts also sentenced about 155 individuals comprising military personnel, public servants and entrepreneurs to varying prison terms ranging from six months to life sentences. No individuals or institutions were considered off-limits.⁶⁹ Indeed, there was a somewhat general agreement that characters like Acheampong and others convicted had to be held accountable. Yet the approach of the AFRC special courts, which sidestepped fundamental tenets of due process, proved problematic. As a result, the regime made martyrs out of some unlikely candidates. But, in an effort to preserve the house-cleaning measures, the Rawlings junta placed in the 1979 Constitution provisions which spelt out the irreversibility of sentences passed by the AFRC courts.

⁶⁸ The AFRC backed-up these threats and companies like Tata Brewery, for example, were confiscated by the regime on tax evasion charges.

⁶⁹ A case to demonstrate this point relates to an Ashanti chief, the *Bantamahene*, Baffuor Owusu Amankwatia, who was sentenced to life imprisonment and had his assets seized on corruption charges (*Daily Graphic*, 25 July 1979).

General elections went ahead as planned on 18 June 1979 and were accepted as free and fair. The People's National Party (PNP) won the majority of seats in the Parliament. After a second round of voting, the PNP presidential candidate, Hilla Limann secured the Presidency. Before handing over to the civilian government, the AFRC implemented the third and final phase of its anticorruption plan which was to ensure continuation of the house-cleaning process. The junta established a special tribunal by another decree - Armed Forces Revolutionary Council (Special Tribunal and Other Matters) Decree, 1979 (AFRC Decree 23). The new tribunal was to take over cases pending before the special courts and also bring to trial certain managing directors of state-owned firms. The AFRC charged the incoming Limann government to continue the course of house-cleaning. Lastly, there was a word of warning from Chairman Rawlings that if the new administration became corrupt they risked being removed from office. On 24 September 1979, the AFRC handed over to the Limann administration ushering in another attempt at democratic rule - the Third Republic. A tumultuous period of AFRC house-cleaning appeared to have ended.

2.7 Third Republic: The People's National Party (PNP) government (1979-1981)

As a people we had, before last June [AFRC rule], become so self-indulgent that our values had been perverted. The capitulation to greed, graft and avarice so triumphed over our sense of proportion, decency and fellow-feeling that we have had to pay dearly for it.

President Hilla Limann

State of the Nation Address to Parliament (September 1979) as cited in Limann (1983:117).

The 1979 election results indicated that voters had given the PNP a convincing mandate. Hilla Limann won about 62 percent of votes in the second round of presidential polling. The President's party also obtained a majority of 71 out of the 140 seats in Ghana's Third Republic Parliament. Yet mindful of the sombre nature of the house-cleaning campaign, not least the executions, Limann's first address to Parliament, as noted above, elaborated on the extensive nature of corruption preceding AFRC rule. The President thus went on to issue a cautious call for all to "eschew the temptations of personal aggrandisement" (Limann 1983:117). But right from the outset, the Limann administration was faced with a dilemma in terms of managing the effects of the AFRC anticorruption campaign, let alone its continuation. The new government had been bequeathed a direct problem with respect to the transitional provisions which the AFRC had written into the 1979 Constitution to prevent the possible reversal of corruption sentences. As a government, elected to govern by the rule of law, the AFRC trials and convictions posed a constitutional challenge. Limann extracted himself from this issue by arguing the matter of the provisions was for the law courts. Still, the government came under pressure, both domestic and external, to review AFRC sentences.⁷⁰

⁷⁰ Amnesty International, for example, appealed to Limann for a judicial review of all the AFRC Special Courts' prison sentences (*West Africa*, 23 June 1980).

Indeed, convicts of the AFRC special courts lodged appeals at the regular courts once constitutional rule got underway. One case worth highlighting is that of Henry Djaba, a businessman, tried in absentia by the AFRC and sentenced to 10 years in jail for economic sabotage. Like other prominent Ghanaian entrepreneurs, Djaba fled to London in the aftermath of the AFRC coup but returned in 1981 during the PNP rule. The PNP government, which had mostly steered away from cases involving AFRC sentences, in a rare effort, arrested Djaba in September 1981 to enforce the special court's ruling. The convicted Djaba challenged the basis of his detention at an Accra High Court. Justice Fred Poku Sarkodee subsequently quashed the conviction, contrary to the transitional provisions. The judge also ruled there was no constitutional issue at stake in the case which necessitated the Supreme Court's authority to interpret the constitution (*West Africa*, 19 October 1981). Similarly, other convictions by the AFRC were overturned by the law courts. This was based on technicalities including the fact that procedures used in the junta's trials were considered incompatible with the legal justice system.

Besides the legacy of the AFRC house-cleaning campaign, the Limann government inherited another pressing problem - the economy. In fact this was the most significant challenge facing the PNP administration as the economy had not recovered from the hangover of mismanagement under NRC/SMC rule. Negative growth, scarce foreign exchange together with the knock-on effect of spare parts shortage for industry had become acute (Gyimah-Boadi, 1993). Inflation remained high, unemployment soared and dwindling real income led sections of the workforce to engage in strike action.⁷¹ The PNP administration made efforts to rein in the darkening economy. The government, for instance, attempted to attract foreign capital by introducing favourable investment laws that provided generous tax concessions and foreign ownership rights.⁷² Limann also undertook trips abroad to promote the potential of the Ghanaian economy. These efforts had marginal success.⁷³ As the government's predicaments multiplied, it not only had to fend off critics, but some PNP members in Parliament caused the government problems in siding with the opposition to reject the 1981 budget statement. By Limann's second year in office, the economic problems had not eased. At the same time, PNP members squabbled over plans for elections which were due in two years. In addition, calls by party activists for the adoption of an ideological stand projected an image that the government was distracted from the pressing issues of the day.

⁷¹ What worsened matters in this respect was the fact that Members of Parliament, despite the economic difficulties, awarded themselves salaries which effectively worked out to be 10 times the daily minimum wage (Ohene, 1981).

⁷² The concessions earned criticisms that the government was "bending over backwards" for multi-nationals (*West Africa*, 11 May 1981).

⁷³ The drop in cocoa prices by mid 1980 also held back economic recovery (Chazan, 1983).

In the face of economic problems, PNP officials also became entangled in corruption allegations. As a government the PNP did not have an anticorruption programme. Weak oversight mechanisms to check incumbent abuse, which had been the scourge of previous administrations, prevailed.⁷⁴ The opposition in Parliament, led by the Popular Front Party (PFP), fanned the flames of allegations by accusing the government of misappropriations in areas such as the allocation of import licences (Ayee, 1994a).⁷⁵ Corruption involving the PNP gained widespread currency in May 1981 when the Ministry of Agriculture conceded that 13 tractors imported for farmers had been "lost" (Shillington 1992:74). The rumour was that they had been diverted to the farms of PNP officials. Added to this, some questionable political figures returned into the public realm during the PNP rule as the party was basically a regrouping of Nkrumah's CPP. The old guard Nkrumahists had come under the PNP banner, given that previous political party names had been banned prior to the 1979 election. Politicians indicted by previous commissions of enquiry for fraud were also disallowed from holding public office and official party positions; nonetheless the controversial Krobo Edusei and others still assumed 'unofficial' roles within the party and peddled their influence.⁷⁶

Rawlings soon turned to criticism of the PNP government, and within a few months after handing-over had become a threat to the new administration. In November 1979, the PNP 'retired' Rawlings from the military on the technicality that continued military service was incompatible with the Flight-Lieutenant's previous position as Head of State (*Africa Confidential*, 1980). After retirement, the former AFRC Chairman continued to feature in the news, making public speeches and holding rallies. In fact Rawlings was a genius in attracting crowds not due to eloquence, but more for the skill with which he played on the government's troubles. For example, during a symposium to commemorate the second anniversary of the AFRC's 4 June uprising, Rawlings scolded the PNP government for the economic situation in the country. The ex-Head of State then went on to symbolically compare the suffering of Ghanaians to that of a woman in labour who had been neglected by midwives and declared the prevailing conditions were "potentially revolutionary" (Waldmeir 1981:1337). At the same anniversary gathering, the populist Rawlings allegedly used a recent road accident to illustrate the consequences of mismanagement. Rawlings' argument was that, due to government corruption, defective tyres had surfaced to cause recurring fatal accidents in the public transport system (Waldmeir, 1981).

⁷⁴ The Public Accounts Committee (PAC) of Parliament and the Auditor-General were the key anticorruption institutions. Like previous civilian administrations, PAC did not use its oversight powers to bring incumbents to account.

⁷⁵ The licence system was still unreformed and by guaranteeing foreign exchange at the official rate, there were huge profit margins to be made through diversion to the black market. As of mid 1981, the unofficial exchange rates for the leading foreign currencies were about 10 times the official rates (*West Africa*, 11 May 1981).

⁷⁶ Limann, prior to becoming President, was a career diplomat virtually unknown in Ghanaian political circles. Thus one school of thought maintains Limann was only a front for the outlawed Nkrumahists.

The evidence available suggests allegations and confirmed cases of corruption, involving senior PNP officials, were not of the endemic proportions observed during NRC/SMC rule, although the economic crisis may have made corruption appear acute. With the actions of the AFRC firmly etched on the government's psyche, the PNP leadership mulled over what to do about Rawlings' antics. This was in the light of repeated military intelligence reports that the ex-junta leader was up to mischief. After 27 months, constitutional rule under the Limann administration proved to be an interregnum as the government was deposed by the military in December 1981. The prediction Rawlings made, while handing-over to Limann, that the government risked being deposed should the bad practices of the previous administrations emerge, was fulfilled. Rawlings had staged a comeback.

2.8 The Provisional National Defence Council (PNDC) regime (1981-1993)

During the Limann administration, serious allegation of corruption against top functionaries and party intrigue even in Parliament became a matter of idle gossip. Among the 'big men' it was even possible to arrive at 'settlements', sometimes judicially sanctioned, of these affairs. The wealth of this nation was merely the playground of its leaders.

Flight-Lieutenant Jerry John Rawlings
Radio and television broadcast to the nation on 5 March 1982
Information Services Department (undated, p.17).

On 31 December 1981, the military ousted the Limann government and Flight-Lieutenant Jerry John Rawlings, the coup's leader, returned to power. The overriding problem the country faced was economic crisis and this situation was exploited for political ends. The Flight-Lieutenant's initial broadcasts were however muddled with a litany of issues. Rawlings, for example, decried injustice in Ghana and called for a revolution. The coup leader also denounced Western liberal democracy and declared a new system where 'the people' will be part of the 'decision making process'. This set the tone for the regime's progressively populist stance and the PNDC was subsequently established as a 'big tent' government. In fact the majority of the Council's members were civilians and, in the early years, comprised an eclectic mix including a Catholic priest, student activist, trade unionist and a prominent chief. Rawlings assumed the role of PNDC Chairman and Head of State.

On taking office, Rawlings also announced a 'holy war' on crimes including corruption and the PNDC promptly began to assemble an anticorruption system. As is implicit in the quote above, the PNDC Chairman had not only identified the Limann administration as corrupt, but tied in the 'big men' as well.⁷⁷ This is because the new regime partly blamed the big men, which includes the wealthy, for the pressing economic problems. As such the anticorruption design was

⁷⁷ The PNP's failure to continue the house-cleaning exercise also irked Rawlings (Owusu, 1996; Ayee, 2000a).

predisposed to give prominence to smuggling, hoarding and an array of offences termed 'economic sabotage'. The anticorruption strategy of the PNDC which evolved was multi-pronged but can be categorized into two main groups. The first group included a set of committees - the Defence Committees, Citizens Vetting Committees (CVCs) and National Investigation Committee (NIC) - established as the foundation for anticorruption action. The second was the most important anticorruption tool of the PNDC - the Public Tribunal system. The tribunals entailed a considerable tinkering of Ghana's criminal justice system to ensure individuals arraigned received the PNDC's desired verdict.

The Defence Committees, made up of the People's Defence Committees (PDCs) and Workers' Defence Committees (WDCs), were launched in January 1982. Their primary mission was to act as basic units of the PNDC's 'popular democracy', but they also served as a guard against corruption. The anticorruption role of PDCs, which were community-based, effectively meant they functioned as a vigilante body against individuals suspected of *kalabule* (profiteering), smuggling and hoarding. Certain PDCs, arbitrarily, took up judicial responsibilities within their communities. Along this line, Nugent (1995:69) explains that urban PDCs established "informal courts" to enforce PNDC tenancy regulations.⁷⁸ WDCs, on the other hand, were established in places of employment and undertook tasks including checking corruption in management. Some WDCs also took liberties and clumsily removed their management, although they lacked skills to run the respective industries. Despite the above roles, the Defence Committees engaged in corruption (Ayee, 1994a; 2000a). Owing mainly to the disruptive nature of the PDCs and WDCs during their early years, these committees were reorganized. In 1984, WDCs and PDCs were merged and re-designated as the Committees for the Defence of the Revolution (CDRs) under the supervision of a PNDC Secretary (Minister) of state (Ayee, 1994a). Initially, groups such as the CDRs together with the so-called 'revolutionary organs' helped reduce corruption-related activities such as smuggling.⁷⁹ But, after the mid-1980s their anticorruption input was significantly diluted. As discussed in chapter 5, CDRs shifted their focus to local government activities that centred on developing a grassroots support base for the PNDC.⁸⁰

The CVCs were established in the early stage of PNDC rule, by the Citizens Vetting Committee Law, 1982 (PNDC Law 1), to investigate individuals with lifestyles deemed inconsistent with their incomes. Section 4 (ii) of the Law 1 also extended the CVCs' mandate to examine bank balances in excess of a threshold set by the PNDC. The committees usually sat in public and

⁷⁸ Yeebo (1991) adds that PDCs brought to account traditional rulers alleged to have embezzled development funds.

⁷⁹ The revolutionary organs included PNDC paramilitary units such as the Civil Defence Organization (CDO).

⁸⁰ CDRs assumed institutionalized roles in local government administration by assisting PNDC District Secretaries and playing a lead role in mobilizing residents for community and self-help development projects.

placed the burden of proof on those indicted, which required the provision of a detailed account of assets.⁸¹ Failure to offer satisfactory explanation resulted in penalties such as confiscation of assets. Rulings could only be reviewed by the PNDC and not challenged in any court of law.⁸² In spite of this anticorruption role, the main contribution of the CVCs was in the area of collecting overdue and evaded taxes. Tax matters came to light during investigations and the committees gradually developed an expertise in this field. Even though the wealthy and big businesses comprised the sizeable portion of those on trial, CVCs scrupulously scrutinized ordinary informal entrepreneurs. A case involving Efuah Ehun, a renowned fetish priestess/herbalist, supports this point. Hauled before a CVC in 1983, Ehun testified pleading ignorance on herbalists' liability to pay taxes on income earned. The committee accepted the plea but this was only a discharge from punishment. The herbalist subsequently prepared accounts and paid a total of ₵145,453 in taxes covering a five-year period (Ephson, 1983a). Due to the CVCs performance, government tax revenues in the early 1980s increased sharply (Ephson, 1983a; Ayee, 1994a; Gocking, 1996). Ghanaians, fairly averse to paying taxes, had been given a jolt through the threat of penalties and stiff enforcements. The proficiency CVCs developed with taxes, coming at a time of economic uncertainty, played a role in its eventual absorption into the Office of Revenue Commissioner (ORC) making it effectively a tax agency.

The National Investigations Committee Law, 1982 (PNDC Law 2) established the NIC as a body to probe corruption and acts considered as causing financial loss or detrimental to Ghana's economy. The NIC was also provided with a sweeping jurisdiction to investigate individuals who maintained a bank deposit above ₵50,000.⁸³ This was another attempt aimed at making 'big men' account for their source of wealth. Although an investigative body, section 8 of Law 2 enabled the NIC to accept 'confessions' and subject to PNDC review, those charged were offered an opportunity to make financial reparations. Yeebo (1991:63) nonetheless makes claims that the NIC used "crude methods" that violated human rights to gain confessions. In the absence of declaration of guilt, adverse findings were submitted to the Public Tribunals for prosecution.

Public Tribunals, established in 1982 under PNDC Law 24, were used by the Rawlings regime to dispense punishment for a wide range of crimes.⁸⁴ Thus the tribunals were utilized as key institutions for controlling corruption, smuggling as well as other offences the regime defined as 'economic sabotage'. Rawlings loathed the regular courts, not least, for overturning some of the

⁸¹ There were sub-regional committees of the CVC in all of Ghana's regions.

⁸² The CVC could also transfer cases investigated for trial at the Public Tribunals.

⁸³ Oquaye (1993) makes an estimate, using the official rate, that the ₵50,000 threshold was equivalent to \$16,000.

⁸⁴ Public Tribunals were decentralized at the national, regional, district and community levels.



AFRC era sentences. The legal wrangling associated with due process was another issue the PNDC Chairman despised. Hence, the tribunals were engineered to ensure a swift system of justice. To this end, many rules and processes applicable in the regular courts were side-stepped. Tribunals were further presented by the government as a system allowing the 'common man' (in PNDC revolutionary language) to play a part in the dispensation of justice. Along this line, the regime also referred to tribunals as the 'people's court'. Legal knowledge was not a prerequisite for sitting on a tribunal panel. Of the 15 members on a tribunal panel, all of whom were appointed by the PNDC, only one member required legal training. Then again, the tribunal law detailed a quorum of any three members constituted an acceptable panel and as such increased the probability that members interpreting criminal law may lack legal training (Agyeman-Duah, 1987). Tribunal rulings could not be challenged in any court of law.⁸⁵ Accused were permitted representation by counsel yet the Ghana Bar Association (GBA), the legal profession's representative body, officially boycotted tribunals.⁸⁶ The non-standard rules regulating tribunal procedure together with the abduction and murder of three High Court Judges, in June 1982, triggered the GBA's decision.⁸⁷ In all, although the regular courts subsisted in what was a parallel system of justice, tribunals signalled a restructuring in the administration of justice.

One case which provides a brief indication of how the Public Tribunals operated also demonstrates the PNDC's use of tribunals for post-regime accountability. This relates to a PNP loan scandal which began brewing in December 1981, prior to the PNDC coup, and placed some of the party's old guard in hot water. The key actors in this loan episode were Nana Okutwer Bekoe III, the PNP Chairman; Kwesi Armah, a former Minister of Trade during the CPP era and Krobo Edusei, by now a regular fixture in post-regime anticorruption exercises. The facts of the case are that a loan of \$1 million was procured from an Italian businessman, Marino Chiavelli, by the PNP in 1979. The purpose, ironically, was to bankroll the supposed 'resettlement' of AFRC members - the junta of which Rawlings was Chairman. Edusei, having ingratiated himself to the PNP, suggested an acquaintance, Chiavelli, as a possible lender. To fulfil a condition set by Chiavelli, President Limann provided an authority letter consenting to the loan.

⁸⁵ Initially the tribunal system barred the appeal of verdicts, but a repeal of Law 24 by the Public Tribunal Law, 1984 (PNDC Law 78) later permitted appeals that were to be handled within the same tribunal framework.

⁸⁶ Some lawyers flouted the ban but often demanded a high premium for representation at the tribunals.

⁸⁷ All the murdered judges had incidentally overturned some AFRC court verdicts during PNP rule. Among those convicted for the killings was Joachim Amartey Kwei, an ex-PNDC member, who was later sentenced to death and executed.

On acquiring the funds, two AFRC members, Major Mensah Poku and Major Boakye Djan were allegedly paid \$100,000 each (*West Africa*, 18 October 1982).⁸⁸ Edusei, always with an eye on a good deal, demanded and received \$70,000 from the loan for the role he played. Armah was paid \$30,000 for supposed legal advice on the loan agreement. Bekoe, the PNP Chairman, took \$50,000 for party activities. How was the state affected in this issue as no public funds had been misused? In fact the prosecution did not establish that Chiavelli, the lender, had received any favours in return.⁸⁹ Nonetheless, the PNDC charged Edusei and Bekoe with breaking political party laws; Armah was charged with abetment. George Agyekum, the tribunal Chairman, noted the offences were "grave" before emphatically ruling out bail (*West Africa*, 18 October 1982).

The trial revealed some of the public tribunals' typical shortcomings. The ailing Edusei and Bekoe, without prior knowledge, were bundled from hospital for the first tribunal hearing and as a result had no legal representation during this session. Former President Limann, then in PNDC custody, was not made to testify even though implicated and besides the fact that Bekoe, the party Chairman, attributed his role as solely based on the ex-President's instructions.⁹⁰ In October 1982, all three PNP members were convicted on the charges they faced. Edusei and Bekoe each received 11-year jail terms. The hapless Bekoe received an additional seven-year sentence plus six months of conservancy work, for attempting to sneak into Togo with a large amount of foreign currency after the PNDC coup. Armah, for his support role, received a seven-year jail term. On the whole, the nature of offences and the stiff sentences imposed had hints of political motivation.

Public tribunals, nonetheless, made a positive contribution in terms of the swift rate with which they disposed of cases in problem areas such as land litigation.⁹¹ This contrasted sharply with the grinding pace of similar litigation in the regular courts. Ayee (1994b) also makes claims that, during PNDC rule, tribunals lessened the spate of corruption in local government administration. On the other hand, the tribunals had other shortcomings. Firstly, owing to the parallel system of justice, there were inconsistencies. For example, tribunal sentences were more draconian in comparison to those delivered under the penal code. Secondly, there is evidence of interference in the functioning of the tribunals - when they failed to deliver the PNDC's preferred judgement. In one case when four workers, mostly from the Ghana Education Service, had charges of

⁸⁸ The monies were interpreted as bribes to keep the soldiers "quiet" from destabilising the democratic process (*Africa Watch* 1992:6). The evidence available indicates that the tribunal did not reveal other AFRC beneficiaries, if any.

⁸⁹ Chiavelli, who was based in South Africa, had requested a Ghanaian diplomatic passport to circumvent Italian tax laws, but the request was declined by President Limann (*West Africa*, 18 October 1982).

⁹⁰ Agyekum, the tribunal Chairman, made a demand for Limann to be brought in for the trial; this never happened.

⁹¹ Death penalty related cases, such as coup attempts to overthrow the PNDC and armed robbery, remained exclusively in the domain of tribunals and were also dealt with expeditiously.

embezzlement dismissed by an Accra Public Tribunal, Rawlings called it a "serious miscarriage of justice" and ordered their re-arrest (*West Africa*, 15 December 1986).⁹² Thirdly, it has been argued that tribunals denied those on trial access to evidence which could have helped their defence (*Africa Watch*, 1992). Lastly, corruption existed within tribunals as Chairmen and panel members took bribes from those arraigned (Oquaye, 1993; Ayee, 1994a; Gocking, 1996). After Ghana's 1992 Constitution was adopted, a single legal system came into force and the PNDC's Public Tribunals ceased operation (on disposing of their remaining cases). The NIC was also disbanded and the CVC, as earlier stated, had already been absorbed into the ORC. An anticorruption system, once again, had ended with its inventor's tenure.

Overall, the effectiveness of the PNDC's anticorruption measures appears to be shaky.⁹³ Revelations made once parliamentary democracy got underway, in 1993, confirmed that corruption was rife in the public sector during the regime's term in office. Given that the PNDC was not accountable to any institution, between 1981 and 1988 the government's accounts were not even audited. The Public Accounts Committee (PAC), reporting on government accounts for the period ending 1992, noted embezzlement had contributed to an overdraft of ₵401 billion in public finances (Ofori-Atta, 1993). Further, the underlying causes of corruption, which included weak checks and balances, were not addressed. Thus financial malpractices persisted at institutions such as the Customs, Excise and Preventive Service (CEPS). At the high levels of government, the familiar tale of senior incumbents abusing their official position also challenged the regime's rhetoric of accountability. Some of these corruption cases involving PNDC officials were investigated, but there were noticeable differences between how they were handled in comparison to the regime's probe of non-incumbents. For example, a committee which examined the operations of the Ministry of Trade reported in 1990 that Kofi Djin, the PNDC Secretary for Trade, and four officials had misapplied state funds (*West Africa*, 9 April 1990). The monies were noted to have been channelled into a private company where all five were directors. The government responded by requesting a refund.⁹⁴ Such lenient action contrasted sharply with punishment the PNDC meted out to those accused of malpractices that involved state funds - in addition to refunds, custodial sentences were standard penalties. Ghana's 1992 Constitution, written during the PNDC's tenure, however had an indemnity clause that prohibited

⁹² Agyeman-Duah (1987) provides evidence that the education sector was then a prime area of corruption. Rawlings' frustration may be attributed to this as he, perhaps, envisaged a judgement that would have served as a deterrent.

⁹³ An indirect contribution to anticorruption relates to the discredited import licences system. This was abandoned as part of wider reforms the PNDC pursued from 1983, under a stringent Economic Recovery Programme (ERP), supported by the World Bank and International Monetary Fund (IMF). A floating exchange rate system was adopted as a replacement.

⁹⁴ Nugent (1995) reminds us that Djin had earlier been accused of gold smuggling while PNDC Secretary for Interior, but he was just transferred to the Ministry of Trade which offered even better opportunities for corruption.

the regime being held accountable.⁹⁵ Parliament was also barred from amending this provision. By this, the PNDC had plugged all loopholes and guaranteed that no 'unpleasant' anticorruption surprises would emerge during democratic rule. For a regime that continuously emphasized the slogan 'probity and accountability', and even had the phrase inserted in the preamble to the same Constitution, this was a contradiction.

2.9 Conclusion

This chapter has provided a general historical account of Ghana's anticorruption experiments from the post-independence CPP administration in 1957 to the end of PNDC rule in 1993. What we learn from the period assessed is that controlling corruption has been a tricky issue all past governments have had to manage. The scope and direction of anticorruption measures have nonetheless differed. As observed, Nkrumah's CPP administration passed anticorruption legislation but failed to apply it. The NLC regime, on toppling the CPP, pursued post-mortem anticorruption measures to bring the previous administration's officials to account. Still, there were no systems put in place to prevent a recurrence. The PP government of the Second Republic proactively initiated a process - the Anin Commission - to find a system of controlling corruption, yet the administration was deposed before the Commission reported. Acheampong's NRC/SMC military regime permitted the Anin Commission to continue its work but failed to adopt the recommendations that included the establishment of a permanent anticorruption institution. This appears to have been a lost opportunity. The NRC/SMC government later engaged in unrestrained corruption which contributed to Acheampong's removal from office.

The failure to bring Acheampong's overtly corrupt regime to account was a major turning point in Ghana's history. This is because it provoked the takeover by the Rawlings AFRC junta which pursued an unprecedented anticorruption campaign resulting in the execution of three former Heads of State and five senior army officials. The PNP interregnum of the Third Republic did not have an anticorruption agenda. Instead, the administration grappled with the consequences of the AFRC's 'housecleaning' campaign and was eventually toppled on charges including corruption. The second Rawlings regime of the PNDC crafted a set of anticorruption measures through committees and a tribunal system of justice. Some committees were mainly aimed at 'big men', while tribunals appeared as a bespoke legal system to side-step the technicalities of due process and skewed to deliver the PNDC's desired verdicts.

⁹⁵ Section 34(1) of the Constitution's transitional provisions states that no PNDC member/ appointee "shall be held liable either jointly or severally, for an act or omission during the administration of the PNDC" (Republic of Ghana 1992:201).

Returning to the arguments stated at the beginning of this chapter, it is now possible to understand that a nonexistent/ weak system of incumbent oversight led to the use of post-regime measures. The lack of political will played a role as governments affirmed their anticorruption position but backed this with little action. The marked failure of incumbent control is best reflected in the import licences process detailed above. While licence misallocation dogged successive regimes, mostly due to fraudulent manipulation as opposed to ineptitude, the system was left unreformed and exacerbated the very shortages it aimed to address. The rent-seeking opportunities derived by incumbents partly influenced the preservation of the status-quo.

One trend in the above analysis is that corruption has been used by the military as a pretext for regime change. History has repeated itself in the cycle of post-regime accountability which has been subsequently pursued with a degree of clockwork predictability. This leads to the second argument made in the introduction that post-mortem measures have been unsustainable. As observed, the NLC and NRC/SMC regimes' use of commissions of enquiry only served as ad hoc anticorruption tools. During AFRC rule the special courts, which delivered quick but severe punishment, proved to be haphazard. In fact, due to the focus on political opponents, post-mortem measures were interpreted as acts of political vendetta. Even when the evidence of wrongdoing was strong, such measures were unsustainable in the long-term and their lifespan mostly corresponded to the tenure of administrations' which instigated them. The case of Krobo Edusei offers a useful example in this respect. As noted, alleged unlawful assets acquired by Edusei were confiscated, released and re-confiscated by successive regimes. This not only reveals the perception of post-mortem anticorruption measures as politicized but confounds the process. Judicial reviews of the AFRC sentences, under the PNP government, are another case in point where anticorruption rulings were reversed once a regime left office.

Taken together, the above findings underline the need for an anticorruption mechanism that operates autonomously from government and engages in continuous incumbent oversight. Influenced by the failings of past efforts, the framers of Ghana's 1992 Constitution pinned their hopes on a permanent anticorruption institution as the foundation towards the realization of this goal. The evaluation of the new anticorruption system is what the next chapter undertakes.

Chapter 3

Public anticorruption agencies in Ghana: Potential and paralysis

3.1 Introduction

The motives for establishing anticorruption agencies (ACAs) are varied. Johnston and Doig (1999:26) argue that "governments with varying degrees of commitment to good governance" consider the use of independent anticorruption institutions as a "suitable and cost-effective mechanism for pursuing the functions of prevention and investigation". Heilbrunn (2004:1), on the other hand, suggests "governments in poor countries need international investments and donors require that they reduce corruption". Thus, the establishment of ACAs may be to satisfy donor conditions.⁹⁶ In other scenarios - as in the case of Hong Kong and Botswana - ACAs have been established after massive corruption scandals. Ghana's Fourth Republic Constitution of 1992 is unique because it provides for the establishment of a permanent ACA - a requirement previous Constitutions did not offer. However, it is critical to point out that there was no impending corruption crisis in Ghana when the Constitution was written. This requirement had more to do with ensuring continuous supervision, contrary to the ad hoc commissions of enquiry and customary post-regime accountability measures, which as observed in the previous chapter became the hallmark of previous anticorruption efforts.

The institutional approach to anticorruption can be broadly categorised into two groups: the single agency and multi-agency methods. Hong Kong's Independent Commission Against Corruption (ICAC) and Singapore's Corrupt Practices Investigative Bureau (CPIB) are the leading single agency examples. Here, a single ACA remains the key mechanism of corruption control with strong investigative and preventative powers forming a key aspect of their functions. In fact the ICAC is widely regarded as the 'model' ACA. The drastic reduction of corruption in Hong Kong, from the mid 1970s, has been identified as owing to the effectiveness of the ICAC. This is measured by its operational success and independence. Armed with a strong enabling legislation, the ICAC Ordinance, this anticorruption agency has powers to investigate 'any' suspected case of corruption and its focus has ranged from public sector fraud to other areas of economic crime. ICAC officers can even undertake an arrest without a warrant - if there are reasonable grounds that an individual may be guilty of a corrupt offence. Skidmore (1996:126) explains that the agency's enabling legislation is "so loose as to permit the ICAC tremendous leeway". But it is important to note that various 'oversight committees' serve as watchdogs on the Hong Kong agency's powers. Further, the

⁹⁶ There is no hard evidence pointing to donor influence in the establishment of ACAs in Ghana. But, there was substantial donor 'interest' for Ghana to introduce democratic rule - as was the case in other African countries in the post-cold war era.

authority to prosecute under this system lies with the Attorney-General. A marked feature of the Hong Kong agency remains its emphasis on prevention. The ICAC's work in this area is on changing attitudes through an elaborate system of public education.

In the African context, Botswana's Directorate of Corruption and Economic Crime (DCEC) is a single agency example primarily based on the ICAC.⁹⁷ A corruption scandal which implicated members of government, including cabinet Ministers, prompted the approval in 1994 of the Corruption and Economic Crimes Act, the legislation establishing the DCEC. Despite many similarities with the ICAC, the DCEC falls short of the checks and balances present in the Hong Kong model. Prominent among these are the lack of oversight committees.

The multi-agency model combines various offices to tackle corruption. In this setting, ACAs may be required to harmonize their operations as well as complement each other in order to attain effective corruption control. This includes the coordination of corruption prevention, investigation, prosecution and public education. The United States Office of Government Ethics (OGE) and Justice Department may be cited as examples. The OGE's approach is mainly preventative, while the Justice Department pursues an investigative and prosecutorial role. Uganda is another country that maintains a multi-agency model. This is done through a three-pronged structure of the Inspector General of Government (IGG), the Auditor-General and the Human Rights Commission. Ghana has also adopted the multi-agency model and its evaluation forms the basis of this chapter.

The evidence on ACAs suggests that there is a high rate of failure in their use as a corruption control mechanism (Pope, 2000; Heilbrunn, 2004). This is often because of the absence of conditions essential for their effectiveness which includes the primacy of the rule of law, an independent/ efficient judicial system, a free press and the presence of civil society groups that are vocal on corruption issues. Besides the powers ACAs are granted, adequate resources to perform functions are imperative. Further, independence to investigate cases at all levels of public office, without interference, and strong leadership remains vital. Finally, a degree of macroeconomic stability is necessary.

This chapter outlines the institutional landscape of Ghana's multi-agency anticorruption framework. In this respect, the mandate, functions and enforcement capacities of Ghana's public ACAs - primarily made up of the Commission on Human Rights and Administrative Justice, Serious Fraud Office, Parliament's Public Accounts Committee and Auditor-General - are examined. An attempt is made to determine how adequate their powers are in terms of

⁹⁷ Meagher (2005) estimates that, owing to the ICAC's success, between 30 to 40 ACAs worldwide have been modelled on it.

performing credible incumbent oversight. Issues of independence and resources are also assessed as these remain a linchpin for success. The New Patriotic Party (NPP), after taking office in 2001, added to the key anticorruption institutions above through the establishment of an Office of Accountability. But it is the NPP's other efforts, aimed at tackling corruption outside the above anticorruption framework, by instituting legal proceedings using Ghana's Criminal Code that has been notable. The effects of these measures on anticorruption are thus similarly assessed. Overall, two central arguments are made in this chapter:

(1) The mandate of Ghana's multi-agency anticorruption institutions appears satisfactory. In fact, there are a few cases where senior members of government have been investigated by public ACAs. Nonetheless, two key issues have constrained anticorruption institutions in terms of sufficiently fulfilling their stated mandate - limited resources and the lack of political will. This has played out in the allocation of funds as well as the authority to criminally prosecute corruption cases. Despite the formal autonomy of ACAs, these two areas are controlled by the executive branch of government. The lack of political will, in particular, has been demonstrated by the failure of government to enforce anticorruption measures where senior incumbents are involved. As a result, this has undercut the capacity of ACAs to function effectively in the area of incumbent oversight.

(2) The NPP's anticorruption approach using the Criminal Code, which was generally directed at senior members of the Rawlings NDC administration, underscores the point that Ghana's public ACAs have lacked the capacity to adequately address incumbent corruption. Indeed, the NPP's measures signified a return to post-regime accountability. On the other hand, this post-mortem form of anticorruption has demonstrated that, with the political commitment of government, effective action against corruption is possible.

The next section begins with an evaluation of Ghana's principal anticorruption institution.

3.2 The Commission on Human Rights and Administrative Justice (CHRAJ)

It must be remembered that there is nothing more difficult to plan, more dangerous to manage than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institution and merely lukewarm defenders in those who would gain by the new resources.

Niccolo Machiavelli, *The Prince* (Cited in CHRAJ 1996a:3).

3.2.1 Mandate and functions

CHRAJ was established in July 1993 by an Act of Parliament - The Commission on Human Rights and Administrative Justice Act, 1993 (Act 456) pursuant to requirements of the 1992 Constitution. It has a three pronged mandate of a human rights institution, an Ombudsman and also acts as an anticorruption agency. With respect to human rights, it investigates violations of fundamental rights and freedoms, conducts prison inspections and engages in public education. In terms of CHRAJ's Ombudsman role, it addresses issues of

administrative justice, including, abuse of power, discrimination and unfair treatment by public officers in the course of exercising their official duties. CHRAJ's duties, as an anticorruption agency, are spelt out in article 218 (e) of the Constitution. This requires the Commission "to investigate all instances of alleged or suspected corruption and the misappropriation of public moneys by officials and take the appropriate steps, including reports to the Attorney-General and the Auditor-General, resulting from such investigations" (Republic of Ghana 1992:144).⁹⁸ The anticorruption mandate extends to investigating conflict of interest allegations against public office holders. Additionally, there is a statutory requirement for the Commission to engage in anticorruption public education. The CHRAJ law, however, is vague - unlike anticorruption legislation such as Botswana's Corruption and Economic Crimes Act, which goes into detail on what constitutes an economic crime or corruption (Olowu, 1999). There are a few areas where the Commission's powers are restricted. Of relevance to anticorruption, the Constitution and Act 456 stipulate that CHRAJ may neither investigate a matter pending before a court/judicial tribunal, nor a matter involving the relations or dealings between the government of Ghana and any other government or an international organisation.

Overall, CHRAJ's mandate is unique in comparison to the role assigned to Ombudsman institutions in Ghana's previous Constitutions of the Second and Third Republics. The Constitution of the Second Republic required that an Ombudsman's office be set up to deal with issues, primarily, relating to administrative justice. But the Constitution did not specify a time limit for an appointment to be made. Thus, even though the National Assembly passed an Ombudsman Act, in 1970, no one had been appointed to the office by the time the Busia government was overthrown in 1972. The Third Republic Constitution made it mandatory for an Ombudsman to be appointed - at least one year after the Constitution came into force. Although an Ombudsman was duly appointed within this timeframe, the mandate did not permit investigations of corruption; the functions of this Office were limited to administrative justice. Further, the powers given to the Ombudsman fell short of providing the Office with the legal tool in enforcing its recommendations.⁹⁹ In contrast, CHRAJ is empowered by Act 456 to initiate legal proceedings in court to seek redress and enforce decisions - if within three months of its ruling recommendations have not been implemented.¹⁰⁰ This power remains useful. In fact, the Commission has successfully pursued some non-corruption related cases in the law courts to facilitate the enforcement of its decisions. CHRAJ, by all

⁹⁸ Article 88 (3) of the 1992 Constitution provides that 'only' the Attorney-General can initiate criminal proceedings. As a matter of fact, the authority to investigate and refer criminal findings to the Attorney-General for prosecution is a common feature of ACAs - as was noted in the case of Hong Kong's ICAC.

⁹⁹ The Ombudsman office was allowed to continue its work after the Limann administration was removed from office. It is worth noting that a considerable number of the complaints the Office handled were employment related issues such as wrongful dismissals (Vieta, 1989a). Ayee (1994c:161) provides evidence that out of 6,345 cases investigated by the Ombudsman, between 1979 and 1986, only 2,140 were enforced.

¹⁰⁰ CHRAJ's power to enforce decisions through legal proceedings is significant as comparable ACAs in Africa do not have this authority. But, going to court implies cases will need to be re-opened and argued from the start.

accounts, as compared to the Ombudsman institution under the Third Republic, has an enhanced authority.

With respect to its structure, CHRAJ is headed by a Commissioner and two deputies all appointed by the President acting on the advice of the Council of State. The qualification for appointment as Commissioner and Deputy Commissioner, which is specified under article 221 of the 1992 Constitution, equates these roles with those of a Justice of the Court of Appeal and a High Court Judge respectively. Security of tenure, in effect independence, is also guaranteed. This is through the provision that removal of CHRAJ Commissioners will have to follow procedures consistent with the removal of judges in the above categories. Further, the Commission is granted operational autonomy by the Constitution, as its only requirement is to report annually to Parliament.¹⁰¹ In comparison to prominent ACAs in Africa, such as Botswana's DCEC and the Prevention of Corruption Bureau (PCB) in Tanzania, CHRAJ has distinct functional independence as these two agencies report to their respective Presidents. All the same, CHRAJ's accountability is limited given that there is no committee or board which examines complaints against the Commission.

At present, CHRAJ is divided into three sections: (i) administration and finance (ii) legal and investigations and (iii) anticorruption /public education. The Commission is also required by law to have offices in all 169 local government districts of Ghana, in addition to offices in the 10 administrative regions and a national headquarters in Accra. CHRAJ (1994:1) estimates 70 percent of Ghana's population live in the rural areas and this makes the district offices a critical link for the Commission to be accessible. As of 2003, the last year for which information was available, almost 90 percent of district offices had been established. The data in table 3.1 below indicates a considerable amount of the complaints received were outside the national capital hence pointing to a measure of nationwide accessibility. But there is little evidence to suggest that the complaints received are correlated with population distribution. For example, the Brong Ahafo region, which recorded the highest number of complaints, is not the most populous area. According to Ghana's 2000 census, this region accounts for about 10 percent of the country's population as compared to the Ashanti region which, with approximately 19 percent of the population, has the largest share of the Ghana's inhabitants yet recorded fewer complaints.¹⁰² A possible link to the large number of complaints in Brong Ahafo's case could be related to the fact that it has often recorded a higher proportion of embezzled funds than other regions. In 1994, for instance, 30 percent of

¹⁰¹ Article 225 of the 1992 Constitution clearly spells out that "except as provided by this Constitution or by any other law not inconsistent with [the] Constitution, the Commission and Commissioners shall, in the performance of their functions, not be subject to the direction or control of any other person or authority" (Republic of Ghana 1992:146).

¹⁰² The number of districts within a region does not appear to account for the differences between the regions. As of 2003, the Brong Ahafo region had 13 districts compared to Ashanti's 18 districts.

all central government funds to the region's local government units were misappropriated (IEA 2002:27).

Table 3.1 Complaints received by CHRAJ in 2003

Office	Number	Percentage of total (%)
Upper West	156	1.1
Upper East	377	2.7
Greater Accra/Tema	524	3.8
Northern	525	3.8
Headquarters	910	6.6
Volta	1,060	7.7
Central	1,100	8.0
Western	1,724	12.6
Eastern	1,750	12.7
Ashanti	2,044	14.9
Brong Ahafo	3,556	25.9

Source: CHRAJ (2003)

3.2.2 CHRAJ corruption investigations

The anticorruption unit of CHRAJ was established on the proposal of a National Integrity Workshop, held in 1998, to facilitate the discharge of its anticorruption mandate. The unit became operational in 2000; prior to this, corruption was handled by the legal and investigations unit. CHRAJ's anticorruption functions are structured around investigations, prevention and public education. The Commission investigates whatever cases are brought before it - independently of 'other agencies' such as the Serious Fraud Office (SFO) and the Office of Accountability.¹⁰³ CHRAJ's complaint procedure as set out in CHRAJ Regulations, 1994 (Constitutional Instrument No.7) allows complaints to be lodged orally and in written form at any of its offices. The Commission, in carrying out its tasks, is permitted by law to issue subpoenas which cover individuals and documents. Non-compliance with such orders carries a contempt charge. However, Act 456 permits withholding information when a person under questioning is bound by the 'Oath of Secrecy' and is likely to be in breach.¹⁰⁴ Finally, those appearing before CHRAJ are permitted representation by counsel but may be questioned under oath; a charge of perjury can be levelled, when a false statement is made.

CHRAJ investigates both petty and grand corruption. The petty corruption cases, which usually involve junior officials, are less complex to probe in comparison to grand corruption cases that are associated with senior members of government. For example, in 2002, the

¹⁰³ On the issue of potentially of duplicating investigations, Charles Ayamdoo, the Deputy Director of CHRAJ's Anticorruption Unit, stresses that CHRAJ derives its powers from the Constitution and this places corruption investigations "squarely within its jurisdiction" (Structured interview with Charles Ayamdoo at CHRAJ Headquarters in Accra, 13 February 2006). Ayamdoo appeared to be taking a swipe at the SFO, a rival agency of the Commission, which was created by an Act of Parliament.

¹⁰⁴ Scholars such as Ayee (1994c) and Asibuo (2002) argue this provision seriously limits CHRAJ, as government officials and institutions could use the pretext of secrecy for non-disclosure. Despite these concerns, no known case exists where this provision has been invoked.

Commission received a complaint that certain officials of the Brong Ahafo region's Forest Services Division (FSD) were engaged in the illegal allocation of felling rights for timber. The complainant sought CHRAJ's intervention after unsuccessful efforts to get the FSD's Regional Manager to resolve the issue. After investigating this complaint, CHRAJ ruled that the two employees it found culpable should refund an amount of ₵150,000 and each be suspended for a period of two months without pay (CHRAJ 2002:45). Finally, the FSD Regional Manager was urged to ensure staff compliance with rules and procedures. Such cases are common yet swiftly resolved and do not significantly impact CHRAJ's resources through protracted legal processes.

In the area of grand corruption and abuse of incumbency, the Commission has made several high-profile attempts to fulfil its oversight role. The first major case CHRAJ undertook occurred in 1995 - when the Rawlings NDC administration was in office. The Commission began investigations that year into allegations of corruption and illegal acquisition of wealth against four senior members of the ruling NDC government. A steady stream of accusations in the private press prompted these investigations. The individuals probed were the Presidential Advisor on Governmental Affairs, Paul Victor Obeng, the Presidential Staffer responsible for Cocoa Affairs, Isaac Kofi Adjei-Maafo, and the Ministers of Agriculture and Interior, Ibrahim Adam and E.M. Osei-Wusu respectively.¹⁰⁵ Being arguably the first time in Ghana's history that high ranking incumbents were being called to account by an autonomous body, this served to strengthen the Commission's position as independent of government direction.

Obeng, the Presidential Advisor, was accused of fraudulently acquiring a ₵500 million building in the upscale Airport-West area of Accra (*The Ghanaian Chronicle*, 15 June 1995). *The Chronicle* alleged the property had been financed by a Norwegian businessman Obeng 'assisted' in acquiring a divested state-owned enterprise, Bibiani Industrial Complex, at a bargain price. Similarly, the *Free Press*, another private newspaper, reported that a 'mansion' at Madina (a suburb of Accra) in the name of Mary Dufie, Obeng's mother, and estimated to cost hundreds of millions of cedis, was in fact owned by the Presidential Advisor (*Free Press*, 23 June 1995). The paper alleged this was a scheme adopted by Obeng to avoid making an official asset declaration of the property. Obeng denied all the allegations.

The Commission started investigations into these claims and, as part of the process, it scrupulously examined various pieces of evidence including the income and tax records of Obeng and his wife. Previous asset declarations by the Presidential Advisor were assessed

¹⁰⁵ The individuals investigated by CHRAJ had all held several portfolios when the erstwhile Provisional National Defence Council (PNDC) regime, also led by Rawlings, was in office. The listed positions above are the roles they held at the time CHRAJ investigations commenced in 1995.

and numerous witnesses were also called to testify.¹⁰⁶ After evaluating the evidence, CHRAJ concluded it was satisfied the house at Airport West, which Obeng and his wife had jointly financed, was commensurate with their income (CHRAJ, 1996b). The ₵500 million value of the property, reported by *The Chronicle*, was found to have been overestimated. The Commission, instead, agreed with Obeng's estimate of ₵200 million. CHRAJ also found no evidence of undue influence on the part of Obeng in the divestiture of the state enterprise, Bibiani Industrial Complex, as claimed by *The Chronicle*. With respect to the *Free Press* publication, the Commission ruled suggestions that the 'mansion' belonged to Obeng but was in the name of his mother were inaccurate. CHRAJ established the property was owned by an individual named Renato Noce. Evidence in the form of an indenture, dating back to 1993, showed Obeng had leased the land for 50 years to Noce who, subsequently, constructed the property (CHRAJ, 1996b). In October 1996 Obeng was exonerated, as the Commission found no evidence to support the various allegations.

Also in October 1996, after investigations similar to Obeng's had been conducted, CHRAJ reported adverse findings against the other three senior members of government – Adam, Adjei-Maafa and Osei-Wusu.¹⁰⁷ Given the comparable pattern of the investigations covering the above individuals, the case of Osei-Wusu, then Minister of Interior, is briefly discussed here as an example of how the Commission determined its culpable rulings. CHRAJ investigated Osei-Wusu following allegations of corruption made in *The Independent*, a private newspaper, which generated extensive public interest. The main accusation was that this long serving Minister, from the previous Rawlings-led Provisional National Defence Council (PNDC) military regime, with an annual salary of ₵4 million, had managed to build a house estimated at ₵600 million over a two-year period (*The Independent*, 7 June 1995).

Osei-Wusu's asset declaration forms, examined by CHRAJ, indicated that ownership of the said property had been acknowledged. Significantly, the Interior Minister stated in his testimony that constructing the house had cost approximately ₵126 million - not ₵600 million as alleged by the press. CHRAJ agreed with Osei-Wusu's estimate based on evidence tendered by various witnesses including the Minister's contractors and, more importantly, the Commission's own appointed valuation expert. CHRAJ thus criticized *The Independent* noting:

Even though the figure quoted by the newspaper was a gross exaggeration, we feel that the author of the publication had reasonable grounds to wonder how the Minister could have built this particular house in a space of two years on his official emoluments. He [author of publication] however, should have procured a more scientific or accurate assessment rather than indulge in speculation (CHRAJ 1996c:15).

¹⁰⁶ The editors of *The Ghanaian Chronicle* and *Free Press* were called by CHRAJ to testify. Yet both editors signalled that they doubted the Commission's ability to bring any incumbent official to account and declined to participate in the investigations. Nana Kofi Coomson, *The Chronicle's* editor, went on to suggest that state security personnel were harassing his informants and also lamented about law suits brought by government against his paper (CHRAJ, 1996b). These grievances, perhaps, could have been the underlying motive for the editor's refusal to take part in the investigations.

¹⁰⁷ CHRAJ published these findings in October 1996.

Still, by the Commission's calculations, a source of income remained unaccounted for, since the amount which the Minister admitted to have spent on the building, as of June 1995, exceeded his income. CHRAJ maintained that even assuming Osei-Wusu saved all his earnings - calculated by the Commission as amounting to about ₵95 million - the evidence tendered by the Minister, together with CHRAJ's evaluation, indicated he would have overspent his income in excess of about ₵31 million (i.e. not taking into account food, clothes and other financial obligations). As Osei-Wusu had failed to provide "satisfactory explanation" on the source of this excess income, the Commission recommended that the amount be refunded to the state (CHRAJ, 1996c:16).¹⁰⁸

The NDC government maintained a crafty defiance by publishing a White Paper which rejected CHRAJ's adverse findings and attempted to clear Osei-Wusu and the other individuals reprimanded by the Commission. Constitutionally, there was no basis for the government's action. CHRAJ publicly dismissed the White Paper and this move underscored the autonomy of the Commission, even though the NDC's President Rawlings had appointed the Commissioners. Despite the government's initial response, there was a climb-down and the individuals investigated consequently left public office, through resignations or not being re-appointed.¹⁰⁹ CHRAJ thus made its initial mark in the area of incumbent oversight.

After Ghana's general elections in 2000, which the NPP won to give John Kufuor his first term as President, the Commission made another notable anticorruption attempt.¹¹⁰ CHRAJ received a complaint filed against President Kufuor, in October 2001, by Alban Bagbin, the NDC's leader in Parliament. The complaint alleged that the President had used state funds to renovate his private residence. This saga had been widely publicized in the media and, as the story unfolded, it was alleged that an 'anonymous' businessman had paid off the renovation cost of ₵41million in order to 'silence' the President's critics. Thus Bagbin's petition to CHRAJ additionally contended that, by accepting this gift from the supposed businessman, the President had placed himself in a position of conflict of interest.¹¹¹ The Commission began investigations into this case but later dismissed the petition on the grounds of lack of prosecution. It noted this was because Minority Leader Bagbin had sought many adjournments and delayed the probe. Bagbin, on the other hand, maintained CHRAJ urged him to bring certain public officers to testify in the case; this action, he argued, would

¹⁰⁸ The same procedure was used in making similar a recommendation in the case of Adjei-Mafo who CHRAJ determined had similarly overspent his declared income (CHRAJ, 1996d). Adam was found to have abused his position by illegally granting waivers for customs duties, sales tax and fisheries development levies (CHRAJ, 1996a).

¹⁰⁹ Adjei-Mafo and Adam resigned in November 1996, almost two months after CHRAJ published its adverse findings (*Daily Graphic*, 23 November 1996). Osei-Wusu was not re-appointed to the Interior Ministry portfolio following the 1996 general elections - which the NDC won, giving Rawlings a second term as President.

¹¹⁰ As earlier pointed out, the NDC had held control of both Parliament and the Presidency after the return to democratic rule in 1993, but the party also lost the House to the NPP in the 2000 elections.

¹¹¹ Government refused to name the businessman, notwithstanding accusations of lacking transparency.

have been suicidal for the witnesses.¹¹² All the same, the Commission claimed victory for 'investigating' a sitting President. In fact senior CHRAJ officials, such as Charles Ayamdoo, consider this to be one of the Commission's "greatest achievement", as it had not been done anywhere in Africa.¹¹³

The President, for his part, claimed the moral high ground for responding to CHRAJ and not showing himself to be above the law. In what appeared to be Kufuor's direct response to critics who accused him of corruption, the President in his 2006 State of the Nation Address to Parliament remarked:

[A]s President, I was willing to appear before CHRAJ on the charge that I had applied state funds to effect adjustments to my private residence...Where does it happen in these parts of the world that a sitting President so readily submits to investigations[?] (Republic of Ghana 2006:11).

On this issue, the President's remark could be interpreted as having the privilege not to be bound by the law. The state-owned media played up the President's compliance, despite the fact that the case had been dropped.¹¹⁴

The above case, however, raised questions about the Commission's capability to engage in effective incumbent control. This is because the seriousness of the allegations required CHRAJ to demonstrate initiative by carrying on with the investigations regardless of Bagbin's supposed inaction. Given that the Commission has the task of monitoring the code of conduct for public officials, at least, a preliminary inquiry into the donation by the 'businessman' was merited. CDD (2004a:7) succinctly adds to this point noting that "CHRAJ could have used this [renovation] case to define and clarify the rule against conflict of interests and set forth prophylactic guidelines on such problem areas such as acceptance of gifts by public officers". In this instance, CHRAJ appeared to have sacrificed a unique test-case on the altar of 'non-prosecution' using the pretext of adjournments by the Minority Leader.

It is, however, instructive to note that the Commission was proactive when corruption and conflict of interest allegations, against President Kufuor, emerged in the private media in May 2005. The claims were that Kufuor had acquired a piece of real estate, which was under construction as a hotel, for \$3 million; ownership of the property was alleged to have been transferred to his son, John Addo Kufuor, who acted as a proxy (*National Democrat*, 11 May 2005). Given that the hotel was situated next to the President's private residence, it was further suggested the previous owner, Anthony Saoud, had been coerced into selling the

¹¹² Unstructured interview with Alban Bagbin, NDC (MP) and Parliamentary Minority Leader at Parliament House, Accra. 10 May 2004.

¹¹³ Structured interview with Charles Ayamdoo, Deputy Director of the CHRAJ Anticorruption unit at the Commission's headquarters in Accra. 13 February 2006.

¹¹⁴ For example, the *Daily Graphic*, a state-owned paper, in its issue of 30 January 2006 published a prominent front page story with the headline: "Prez submits to CHRAJ".

property on the basis of 'national security' concerns (*National Democrat*, 16 May 2005). The President's son, also known as Chief Kufuor, denied the allegations and stated he was the genuine owner of the hotel development. CHRAJ acted on the press reports and instituted preliminary investigations to verify the claims and establish if there was sufficient evidence to support a full inquiry.

As the preliminary investigations progressed, interest in the case was fuelled by Gizelle Yazji, a former Advisor to Ghana's Ministry of Finance and confidante of President Kufuor. Yazji sustained the claims that Chief Kufuor was fronting for his father, the President. The former Advisor even insisted she had recorded conversations which confirmed the President's ownership of the hotel; these claims put her in the frame as a potential key witness. Yazji, an Arab-American, had been previously employed by Ghana's government to help secure foreign funding for public sector projects. At the time of the investigations she had left the country but gave interviews to the Ghanaian media from overseas and demonstrated knowledge of the hotel's acquisition. What remained unclear was her role. As this case unfolded, another scandal surfaced: Yazji disclosed on a live radio interview, with Accra-based *Joy FM*, that she had engaged in an affair with President Kufuor (*Joy FM*, 24 May 2005).¹¹⁵ This disclosure partly dented Yazji's credibility as a 'star witness' due to lingering questions of her motive. The fact that she previously denied having an intimate relationship with the President also did not help. Yazji made CHRAJ aware of her intention to testify, but failed to show up in Ghana. This was in spite of the Commission's security arrangements for her planned arrival on 19 August 2005. CHRAJ offered the former Advisor other opportunities to submit the supposed evidence implicating the President. This was not taken up. Chief Kufuor, in his statement to CHRAJ, downplayed Yazji's role and insisted that she initially wanted to assist with sourcing funds for the acquisition but "[i]t simply did not work and that was it" (CHRAJ 2006a:14).

The Commission's findings confirmed that, in early 2003, Yazji worked at the top levels of government - as an Advisor at the Finance Ministry - and was in contact with the President. Yet there was no evidence to support claims that the Advisor's duties extended to negotiating the hotel's acquisition for the President. CHRAJ only ruled that Chief Kufuor and Yazji had engaged in discussions about the property - including one such meeting at the President's private residence. On Yazji's role, individuals interrogated by CHRAJ including the previous owner, Saoud, as well as Chief Kufuor provided conflicting testimony, but none of them implicated the President (CHRAJ 2006a). The Commission did not comment on whether Yazji, having discussed the hotel acquisition while on government payroll, had crossed the line between her public office and a private transaction.

¹¹⁵ The *National Democrat*, in its earlier claims about the hotel, made assertions that Yazji was a mistress of the President (*National Democrat*, 16 May 2005).

Significantly, there was no evidence to support allegations that Chief was acting as a proxy for the President. CHRAJ established the acquisition of the property had been financed by a loan from a consortium led by Prudential Bank - a private financial institution. The Commission found from its inquiry that Chief Kufuor was a major shareholder in the hotel; equity positions were also held by banks in the syndicate that backed the acquisition. Saoud, the previous owner, was noted to have been paid a total of \$3.5 million (CHRAJ, 2006a). In addition, no proof of Saoud being coerced to sell the hotel was uncovered. The Commission concluded that the evidence presented did not support the media's allegations of corruption and conflict of interest (CHRAJ, 2006a). CHRAJ consolidated its position in terms of incumbent oversight, as the above investigations were undertaken without a formal petition. Not least, the findings outlined showed competency to engage in a thorough inquiry.

3.2.3 Achievements and constraints

As CHRAJ has evolved, it has made achievements in two significant areas that need to be emphasized. The first relates to its functional independence. One important case that, perhaps, best underlines the Commission's autonomy was when it refused to follow the Rawlings NDC administration's directives and was subsequently sued. The legal action was prompted by CHRAJ's investigations on matters which occurred under the two Rawlings regimes of the Armed Forces Revolutionary Council (AFRC) and PNDC. In the landmark case of the *Attorney-General v. CHRAJ (No.2)* [1999], the Attorney-General (plaintiff) sued CHRAJ (defendant) on the basis that the Commission had contravened the transitional provisions of 1992 Constitution by investigating matters concluded before the Constitution came into force.¹¹⁶ The Attorney-General sought to have the Commission's investigations and rulings declared null and void by the Supreme Court. Additionally, the Attorney-General requested an injunction restraining CHRAJ from continuing to violate the transitional provisions of the Constitution. The case was dismissed by the Supreme Court, which also ruled that to grant the injunction "was too broad a clog on the defendants' constitutional powers" (SCGLR 1999:898). The Commission emerged from the lawsuit with an enhanced reputation.

The second key achievement of CHRAJ is in the area of anticorruption public education. The Commission has mounted various campaigns on the costs of corruption and explaining actions that constitute corrupt behaviour. CHRAJ has stressed the anticorruption message through poster campaigns, media advertisement, undertaking regional and district tours and engaging with community elders as well as youth groups. With the rationale of promoting

¹¹⁶ Specifically, the case related to section 34 (3) of the transitional provisions. The outgoing PNDC regime, through these provisions, made it unlawful for any 'court or tribunal' to review any executive, legislative or judicial action taken or purported to have been taken by the PNDC or its predecessor military junta the AFRC. The Constitution also bars Parliament from amending this section. CHRAJ, nonetheless, ruled on cases falling within this category arguing on the technicality that it was neither a court nor a tribunal.

ethics in public office, the Commission has additionally organized workshops for public sector workers on matters such as conflict of interests. CHRAJ, in this area, has had to partner with governance civil society organisations due to its limited resources.

Despite its accomplishments, CHRAJ faces constraints in three major areas. The first, and most pressing, remains the lack of adequate funding. Running an anticorruption agency is expensive, requiring sizeable levels of funding if effectiveness is to be attained.¹¹⁷ Ayamdoo puts the financial requirements of the Commission in perspective noting that, on average, it costs CHRAJ about US\$2,000 to investigate a corruption case.¹¹⁸ This is compounded by the fact that Act 456 requires the Commission to compensate witnesses for loss of time and expenses incurred. CHRAJ, with its three mandates, does not receive adequate funding. This has been frequently highlighted in the opening lines of CHRAJ's annual reports with a now familiar emphasis on its weak financial position and customary appreciation to the donor community for alleviating this predicament (CHRAJ, 1998; 1999; 2000a; 2001; 2002; 2003).¹¹⁹

Government's budgetary allocation to CHRAJ has increased over the years, but the number of cases handled has also gone up. Further, a casual look at the different components of the budgetary allocations in table 3.2 below confirms that the increases are closely associated with an increased allocation for salaries and wages. These, for the most part, make up for CHRAJ's expanding workforce, as it fulfils the statutory requirement of establishing offices in all districts, and to cover inflation related public sector pay increases.¹²⁰ Tables 3.2 and 3.3 illustrate that much needed capital expenditure on logistics, as a proportion of the CHRAJ's total budget, declined in both nominal and real terms for the period between 1999 and 2002. The NPP administration's governance spokesperson, Frank Agyekum, still insisted that from 2001, government allocations to CHRAJ doubled.¹²¹ But the increases government officials cite as proof of support for the Commission can be misleading - if different components of the budget, particularly, expansion and inflation related recurrent expenditure are not considered. In fact the total nominal amounts for 1999 and 2002 in table 3.2, when converted to US dollars, are equivalent to \$2.3 million and \$1.7 million respectively, thus indicating a decline. This conversion may be relevant when considering CHRAJ's capital expenses such as the purchase of office equipment.

¹¹⁷ Hong Kong's ICAC, with only an anticorruption mandate, had an estimated budget in 2000 of around US\$91 million (Meagher, 2005). CHRAJ received US\$1.7 million in 2002.

¹¹⁸ Structured interview with Charles Ayamdoo, Deputy Director of the CHRAJ Anticorruption unit at the Commission's headquarters in Accra. 13 February 2006.

¹¹⁹ The Danish and United States Embassies, together with the British High Commission, have been continuously singled out for their assistance in CHRAJ reports. Donor anticorruption support is examined in chapter 4.

¹²⁰ Ghana's annual consumer price inflation for 1999, 2000, 2001 and 2002 was 12.4, 25.2, 32.9 and 14.8 respectively (EIU, 2003).

¹²¹ Structured interview with Frank Agyekum, the NPP government's Spokesperson on Governance, at the Ministry of Information. 10 February 2006.

Table 3.2 Trends in budgetary allocations for CHRAJ in (¢) millions (Nominal)

Cost Item	1999		2002	
	Amount (Nominal)	Percentage of total	Amount (Nominal)	Percentage of total
Recurrent				
Salaries/ Wages	1,738.4	28%	9,429.4	72%
Administration	1,060.5	17%	1,579.0	12%
Services	522.2	8%	540.0	4%
Sub-total	3,321.1	54%	11,548.4	88%
Non Recurrent				
Capital	2,860.9	46%	1,639.0	12%
Total	6,182.0	100%	13,187.4	100%

Source: NGP (2003)

Table 3.3 Trends in budgetary allocations for CHRAJ in (¢) millions (Real)

Cost Item	1999		2002	
	Amount (Real)	Percentage of total	Amount (Real)	Percentage of total
Recurrent				
Salaries/ Wages	1,306.8	35%	3,610.0	72%
Administration	797.1	22%	604.5	12%
Services	322.4	9%	176.3	4%
Sub-total	2,426.2	66%	4,390.9	88%
Non Recurrent				
Capital	1,265.4	34%	578.3	12%
Total	3,691.6	100%	4,969.1	100%

Source: NGP (2003)

It is important to also note that the budgetary allocations above, as approved by Parliament, have not always been released. In 1999, for example, the Ministry of Finance made available only 79 percent of the nominal budget allocation of about ¢6.2 billion. These cutbacks are done at the expense of the already limited capital budget. CHRAJ employees complain this translated into problems such as inadequate photocopying facilities. As a matter of fact, at some point in late 2005 there was only one functioning photocopier at the CHRAJ headquarters for use by legal personnel, investigators, researchers and library staff. Financial problems have also resulted in a high rate of staff attrition, especially, among CHRAJ lawyers with the knock-on effect being a backlog of cases.¹²² Ayamdoo suggests uncompetitive salaries and lack of logistics are to blame for employee turnover and points to the Attorney-General's department and SFO, where a significant amount of ex-CHRAJ personnel work, as having relatively better salary levels and conditions of service.¹²³ The

¹²² Asibuo (2002) reports that in 2000, there were 12 qualified lawyers at the Commission's headquarters who handled an average of 200 cases each.

¹²³ Structured interview with Charles Ayamdoo, Deputy Director of the CHRAJ Anticorruption unit at the Commission's headquarters in Accra. 13 February 2006.

consensus among governance experts such as Emmanuel Gyimah-Boadi is that the Commission's staff are "badly paid and not motivated".¹²⁴ Privately, some CHRAJ officials have expressed fears that funding is being manipulated by government on political grounds. Ayee (1994c:169) shares this view and argues that "Ghana's history is replete with cases where the executive branch of government refused to release funds to institutions considered hostile" under the pretext that there was no money in the national purse to cover their operations. Publicly, the Commission has sought solace in the words of Machiavelli as noted in the introductory quote above.

The second key constraint is CHRAJ's lack of authority to prosecute criminal cases. In Ghana, the Attorney-General and Minister of Justice, a combined position occupied by a political figure, remains the only office that can initiate criminal proceedings. The fact that CHRAJ has to defer to this office has been the subject of immense debate. The Commission, in making the case for prosecutorial powers has stressed that its Ugandan counterpart, the Inspector General of Government (IGG), has such powers which are used effectively (CHRAJ, 1999). Nonetheless, what this arguments fails to point out is that the IGG, whilst serving as an Ombudsman and an anticorruption agency, reports to the President. As such, it cannot be viewed as 'independent' in the same vein as CHRAJ given that there may be opportunities for political interference. All the same, the leading political parties, the NPP and NDC, have been unwilling to grant the Commission prosecution powers. Some effective ACAs, including Botswana's DCEC and Hong Kong's ICAC, do not have this power, but they are distinguished from CHRAJ by the fact that they benefit from substantial government support and a strong political will for anticorruption.

The final limitation on CHRAJ is its wide mandate, which appears to be overstretched. This is evident in the fact that the Commission has struggled to keep up with cases it receives for investigations. For example CHRAJ, in 1999, reported that whilst it received 8,892 complaints, it carried over an additional 7,106 complaints from the previous year (CHRAJ, 1999). The pressure CHRAJ faces comes to light in the fact that it was only able to close about 8,000 cases in 1999 hence carrying forward another huge backlog. Labour related complaints dominated CHRAJ's caseload in the initial years of its operation. In the period 1993-94, for instance, 61.5 percent of petitions filed were labour related (CHRAJ, 1994). The approval of the Labour Act 2003 (Act 651) and the formation of the National Labour Commission, which has substantial enforcement powers, may possibly reduce the labour related caseload. Even then, family-related cases comprising inheritance and marital issues are becoming increasingly dominant. In 2003, the Commission received 7,923 family-related complaints which constituted about 58 percent of the total 13,726 cases received (CHRAJ,

¹²⁴ Structured interview with Emmanuel Gyimah-Boadi, Executive Director Ghana Center for Democratic Development (CDD) at the CDD office in Accra. 20 May 2004.

2003). All this further underlines the need for adequate resources to allow CHRAJ fulfil its three pronged mandate as an Ombudsman, human rights body and anticorruption agency.

3.3 The Serious Fraud Office (SFO)

The policeman is trained to handle ordinary crimes and does not have the capacity to handle sophisticated white collar crime...The sophistication that fraud is assuming these days' calls for such specialised institution as the SFO.

Peter Nanfuri (Ghana's Inspector General of Police, 1996-2001) as quoted in SFO (2000b:4).

3.3.1 Mandate and functions

The SFO was established in December 1993 by an Act of Parliament and became operational in 1996. It forms part of the public service and has emerged as an invaluable anticorruption body. Specifically, the SFO Law (Act 466) refers to this anticorruption body as a specialised government agency with the mandate to "monitor, investigate and, on the authority of the Attorney-General, prosecute any offence involving serious financial or economic loss to the state".¹²⁵ Within its scope of authority, the SFO tackles fraud cases in public procurement, the award of contracts and government payroll. It also probes corruption within state-owned enterprises together with issues of tax evasion. The SFO's establishment brought about an agency with the sole mandate of tackling white collar crime. Prior to the fraud agency's formation, the Ghana Police Service was responsible for these offences, but it lacked competency and credibility. The statement of Ghana's former Police chief, noted above, is to some extent an acknowledgment of the weak points stated.

Act 466 confers ministerial responsibility for the SFO on the Attorney-General and Minister of Justice. The executive director of the SFO is appointed by the President on the advice of the SFO board members who are all appointed by the President - directly or indirectly. However, for the period under discussion (1993-2006) the SFO did not have a permanent executive director. All appointees were given the job on temporary basis. This insecurity of tenure is thought to make the director tread cautiously with regards to investigations of an incumbent regime. In confidence, an official claimed that the director - in certain instances - stops investigations being conducted on the orders of government.¹²⁶ If such orders had not been complied with, then termination of the director's acting position would have been inevitable. This is in sharp contrast with CHRAJ where the Commissioner's security of tenure is guaranteed under the Constitution. As of 2004, the SFO's total employees numbered 197; this was well below a target of 260 required to fully staff this outfit (SFO, 2004). The agency also has about 10 Police personnel, seconded from the Criminal Investigations Department (CID), to help with investigations. In comparison to CHRAJ, SFO employees are not

¹²⁵ What the SFO terms as 'serious fraud' refers to the actual or estimated amount the state considers as lost. This currently stands at the ₵100 million threshold having been revised upwards on several occasions.

¹²⁶ Structured interview with 'X' in Accra on 4 January 2006. Due to the nature of allegations made, 'X' requested anonymity.

overburdened with their caseload. But it is important to note that the agency only operates regional offices - unlike the well decentralized CHRAJ which maintains district level offices.

The operations department at the SFO handles fraud and corruption and is organized into three units: (i) research and monitoring (ii) investigations (iii) legal and prosecutions. Research and monitoring examines cases to establish facts and also operates as an intelligence gathering unit. Additionally, this unit makes anticorruption recommendations to government departments. The investigations unit is granted, by the SFO law, all the powers and immunities conferred on a police officer, and it is an offence to wilfully mislead or obstruct the agency's investigations. The SFO can apply for a warrant to search and seize documents that may help in investigations, and it can similarly make a request for judicial approval in order to freeze bank accounts.¹²⁷ The legal and prosecutions unit provides the SFO with legal advice and considers the viability of cases investigated for prosecution. With the written authority of the Attorney-General, this unit undertakes criminal prosecution of cases in the law courts and tribunals.

Having outlined the mandate and basic functions of the SFO, it is worth pointing out that this agency's establishment occurred against a backdrop of fierce opposition led by civil society and eminent jurists. The excerpts below represent a cross section of the arguments presented when the SFO bill was being debated in Parliament:

The powers available to that office [SFO] seek to put in place an economic warlord who will wreak on economic activities such damage as would make General Aideed of Somalia look like Mother Teresa.

Kofi Kumado (Constitutional Law Professor) *The Ghanaian Chronicle*, 11 October 1993.

Immoral, pernicious and totally unconstitutional... [With] frightening features calculated to build up a terrifying Frankenstein regime masquerading in a democracy garb.

John Nicholas Taylor (Retired Supreme Court Judge) *The Ghanaian Chronicle*, 22 November 1993.

The objection to the SFO's formation could be categorized under two main themes. Firstly, under the military backed PNDC, the National Investigations Committee (NIC) had a similar mandate to the SFO. The infamous National Investigations Committee Law, 1982 (PNDC Law 2) could be argued to be the precursor to the SFO law. In fact, section 24 of the agency's enabling act dissolved the NIC and consequently repealed PNDC Law 2. As the NIC had been used to pursue political opponents, scepticism grew further when the SFO law legalised the transfer of 'qualified' NIC officials to the SFO. This raised suspicions of a similar witch-hunt under constitutional rule. Critics even compared the SFO law to the Preventive Detention Act (1958), which Ghana's first President, Kwame Nkrumah, had used to imprison

¹²⁷ The SFO investigates some cases of corruption cited in the Auditor-General's reports that involve huge losses. It also receives direct requests from public institutions to conduct investigations.

political opponents (Danquah, 1993; Taylor, 1993b).¹²⁸ Secondly, the objection to the SFO's establishment was hardened by the fact that the first Parliament of the Fourth Republic, which approved the agency's enabling Act, was considered a 'rubber stamp' legislature. The opposition's boycott of parliamentary elections in December 1992 granted the NDC a majority of over 90 percent in the House. The widely held opinion was that the ruling party had the liberty to push through potentially unsavoury pieces of legislation. But, even without the historical baggage of the PNDC, similar suspicions have been raised prior to the establishment of other ACAs. In Botswana, the Corruption and Economic Crimes Act, 1994, under which the DCEC was established, encountered stiff opposition amid cynicism.¹²⁹

3.3.2 SFO corruption investigations

SFO investigations are not restricted to the public sector. Fraud cases in the non-public sector are considered, if the state is deemed to have made a financial or economic loss. In 2004, for example, the SFO instituted investigations into the finances of a Pentecostal Church in Accra: The Living Faith World Outreach Centre (Winners Chapel). This was prompted by media reports on a financial dispute within the Pentecostal's leadership. The main issue for the SFO was to determine whether the alleged monthly transfer of foreign currency, from the Church in Accra to its Lagos (Nigeria) headquarters, was in breach of the Exchange Control Act, 1961 (Act 171). SFO investigations uncovered that, between 2000 and 2003, various sums had been converted from Ghanaian cedis to US dollars and transferred to Lagos in contravention of the exchange control laws. The breakdown of the annual remittances, as detailed in table 3.4 below, totalled over US\$1 million by 2003.

Table 3.4 Transfers made by Winners Chapel

Year	2000	2001	2002	2003
Period	January-December	January-December	January - June	January-June
Amount in US \$	326,286	170,168	472,798	50,000

Source: SFO (2004)

The SFO's thorough work in this case saw it widen investigations to other Pentecostal Churches. This exposed additional malpractices within the Churches and revealed that some had even failed to pay taxes and social security contributions which had already been deducted from their employees' salaries. Within months of these investigations, the SFO recovered approximately ₵357 million in outstanding taxes and ₵206 million in unpaid social security contributions (SFO, 2004). Despite these accomplishments, an official alleged that government 'instructed' the agency to cease investigating Pentecostal Churches.¹³⁰ Pentecostal leaders in Ghana have a strong base owing to their sizeable congregations and,

¹²⁸ The Preventive Detention Act, as noted in chapter 2, enabled the executive to order the detention of individuals on vague and unproven allegations.

¹²⁹ Quansah (1994:193), for instance, expressed fears about the likely abuse of power by the DCEC and debated whether the DCEC's potential impact on civil rights had been "well thought out".

¹³⁰ Structured interview with 'X' in Accra on 4 January 2006. As noted earlier, 'X' requested anonymity.

with 2004 being an election year, the suggestion by the official that this was related could be viewed as somewhat plausible.

In terms of public sector corruption, offences committed by low-mid level public servants have featured prominently in the agency's investigations. One such area where the SFO has made a sizeable effort is payroll fraud, commonly referred to as 'ghost names', which has remained a persistent sphere of corruption in Ghana. In one case, SFO investigations uncovered a syndicate made up of an accounts officer at the Bosomtwe-Atwima-Kwanwoma District Assembly, a data entry clerk at the Ministry of Local Government and certain staff at the Controller and Accountant-General's Department (CAGD). The accounts officer supplied fictitious details of non-existent employees, supposedly at the District Assembly. The data clerk then input these details into the local government employees' payroll system. Certain staff at the CAGD, which serves as the government paymaster, facilitated the payment of salaries into the bank accounts of the ineligible individuals. The SFO estimates the fraudulent salary payments in this scheme cost the treasury ₵150 million (SFO, 1998). Besides identifying the network of officials involved and methods used, the agency states it put forward recommendation to limit the future occurrence of this practice (Ibid.).

The SFO has also attempted investigations of incumbent regimes, but no senior individual has yet been indicted. In 1997 for example, the SFO only questioned David Sarpong Boateng, a prominent Minister in the Rawlings NDC administration, in a case involving the loss of about ₵2 billion in assets belonging to the Council for Indigenous Business Association (CIBA). Between 1994 and 1995, when Boateng held the ministerial portfolio for Employment and Social Welfare, a loan facility had been taken out to enable CIBA purchase imported items in bulk for its members. The imported goods were supposedly distributed, but the loan went into default as repayment was not made. The SFO failed to prosecute anyone in this case. Instead, the agency termed its role as "assisting" CIBA to recover the funds in order to pay back the loan facility to the government owned Bank of Ghana (SFO 1997:10).

The only known case involving the NPP administration relates to the 'kickback saga'. This case centred on a former NPP Chairman, Haruna Esseku, who was secretly recorded by two investigative journalists, while venting his frustration about party funding problems. On the audio recording, Esseku stated the President's office had "hijacked party contributions from companies which had won government contracts" (*African Confidential* 2005a:3). This provoked fierce public criticism of the NPP government and the SFO responded by announcing in late 2005 that it was investigating the case (*Daily Graphic*, 7 December 2005). Since this statement, the agency never reported any findings. What appeared ironical was the stand of the NDC, previously cheerleaders for the SFO, who greeted the agency's announcement with ridicule. John Atta Mills, then the NDC's presidential candidate, argued

that the SFO could not be trusted to conduct an “objective” investigation and called instead for a parliamentary inquiry (*Africa Confidential* 2005a:3). The SFO's ability to credibly probe incumbents remains to be realized.

3.3.3 Achievements and constraints

The SFO's has made valuable contributions to the Ghana's accountability agenda. One such area is the recovery of funds. This has been significant not only with embezzled funds but also with taxes evaded. In 2003, 37 percent (about ₵1.26 billion) of the total amount recovered was paid to the Internal Revenue Service (IRS) as it related to tax investigations. The data in the table 3.5 below indicates that the amounts recovered each year have constantly increased, with a drop only in 2001. The suspension of contracts by the NPP, which assumed office that year, may explain this. Payments were delayed and the known correlation between government spending and corruption gives credence to this account.

Table 3.5 SFO financial recoveries (1998-2004)

Year	1998	1999	2000	2001	2003	2004
Total amount collected by the SFO	₵283.6M	₵932.7M	₵5.7 BN	₵568.7 M	₵3.4 BN	₵5.97 BN

Source: SFO (1998 - 2004)

The SFO has also been involved in corruption prevention. Along this line it has carried out an extensive public education agenda using television drama series, documentaries and seminars.¹³¹ The agency has focused on educating the youth about the effects of corruption and in this vein has undertaken regional public education tours of secondary schools. The SFO's Mensah argued that the importance attached to the youth - as future leaders - is the reason for this attention.¹³² The expansion of education programmes to include broadcasts in the major Ghanaian languages, however, has been delayed due to limited funds.

The key constraints affecting the SFO's effectiveness are in three areas. The first is that of resource limitations, which poses serious problems for this government funded agency. Working conditions could be described, at best, as difficult. The SFO currently maintains some offices in the old Parliament House building, which it shares with CHRAJ. However, as the construction of its permanent headquarters has stalled for years, owing to lack of funds, some SFO units are situated in the uncompleted headquarters structure, illustrated in figure 3.1 below, because of limited office space. Logistics are also a problem. In Ghana where the 'big man', even at deprived government departments enjoys perks, in terms of office equipment, this was not the case at the SFO. The agency's deputy director indicated that, due to

¹³¹ The SFO's first public education drama entitled 'Harvest of Corruption' was screened on the state-owned Ghana Television (GTV) in August 2001.

¹³² Structured interview with Tetteh Mensah, SFO Deputy Director at the SFO head office in Accra. 12 January 2006.

insufficient funds, he personally paid for an office phone as well as a television used for monitoring the news.

Figure 3.1 Uncompleted SFO office building and the old Parliament House



Source: Author's fieldwork (2006)

Financial difficulties have also delayed the installation of a proposed database that will link the SFO to the Registrar-General's Department (RGD). This project, which has been on the drawing board since 1998, could enhance the SFO's work through the access of information such as company accounts and shareholder details that are held at the RGD. Additionally, as with CHRAJ, the SFO experiences a disparity between funds appropriated by Parliament and payments the Finance Ministry actually makes. The SFO Deputy Director noted that allocated funds often arrived late and cited the fourth quarter of 2005 as a case in point; government, in an effort to balance its books, is said to withhold funds towards the end of year.¹³³

The second major issue the SFO faces is the lack of independence, which is confirmed by political interference in its work. This has resulted in government instructing the SFO to stop investigations, as was noted in the Pentecostals' case. In another instance of meddling, an anonymous official noted that SFO investigations of NPP members at the Tema Municipal Authority were supposedly discontinued on "government orders"; the NPP administration's standpoint was that the inquiry risked unravelling its political base.¹³⁴ The official added interference had developed into a scenario whereby members of the NPP invited for questioning by the SFO failed to attend and instead sought the intervention of the presidency.¹³⁵ In contrast, the Rawlings NDC administration, supposedly never stood in the way when political appointees were called in for interrogation.¹³⁶ But even cases that are fully pursued and have to be prosecuted require the sanction of the Attorney-General - a political office in Ghana's case. Thus the agency suffers from lack of autonomy in this respect as well.

¹³³ Structured interview with Tetteh Mensah, SFO Deputy Director at the SFO head office in Accra. 12 January 2006.

¹³⁴ Structured interview with 'X' in Accra on 4 January 2006.

¹³⁵ Ibid.

¹³⁶ Ibid.

Lastly, the lack of clarity in the corruption categories CHRAJ investigates has resulted in overlaps with some SFO inquiries and led to few cases being probed by both agencies. The SSNIT-Singer House conflict of interest case is one example. The SFO takes the line that when such scenarios are envisaged, the two bodies liaise and assess the institution that is best placed to pursue the investigation. Whether or not this takes place remains doubtful.¹³⁷ In spite of its limitations, the SFO has emerged as an important anticorruption institution with expertise in economic and financial crimes. The results in areas such as financial recoveries have also been invaluable. Overall, the SFO has carried out its functions with professionalism and the evidence indicates that it has not been used for pursuing the political opponents of government. The fears expressed, prior to its establishment, have failed to materialize.

3.4 The Auditor-General

3.4.1 Mandate and functions

The Auditor-General's Department is an integral part of Ghana's multi-agency anticorruption structure. Also known as the Audit Service, the mandate of this office is spelt out under article 187 of the 1992 Constitution and the Audit Service Act, 2000 (Act 584). The office is headed by the Auditor-General who is appointed by the President on the advice of the Council of State. The Auditor-General is granted statutory independence by reporting only to Parliament and enjoying security of tenure.¹³⁸ As the government's auditor, the Auditor-General is charged with reviewing the accounts and management of public offices such as government ministries, the law courts as well as public boards and corporations. In carrying out this function, the Auditor-General undertakes annual audits of government accounts and when necessary performs additional 'special audits'. The anticorruption aims of audits are threefold: (i) to provide an assessment of how public funds have been utilized (ii) to ensure that procedures and processes have been followed and (iii) to certify that effective checks and balances are in place to prevent abuse of public resources. By law, annual audit reports are to be laid before Parliament not later than six months after the financial year has ended.¹³⁹ Besides ensuring that public funds are properly accounted for, audit reports also include recommendations to stem the recurrence of mismanagement and fraud. The Audit Service does not have the authority to enforce these proposals. Nonetheless, article 187 (7) (b) of the Constitution gives the Auditor-General the power to 'surcharge' - in effect the authority to disallow any expense and charge individuals "responsible for incurring or authorising [that] expenditure" (Republic of Ghana 1992: 125).

¹³⁷ As earlier noted, CHRAJ's Ayamdoo suggested this was not the case.

¹³⁸ The procedure for removing the Auditor-General is identical to that of a Justice of the Supreme Court.

¹³⁹ As of 2007, there were seven different reports issued by the Audit Service. These were the reports on: Ministries, Departments and other Agencies of central government; Public Boards, Corporation and Statutory Institutions; Consolidated Fund; Foreign Exchange Receipts and Payments of the Bank of Ghana; Accounts of Pre-Educational Institutions and Universities; Accounts of District Assemblies and Traditional Councils and lastly the report on the District Assemblies Common Fund.

The Auditor-General performs another anticorruption related function as 'custodian' of asset declaration documents. The 1992 Constitution's code of conduct clause together with the Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) requires senior public officers to make a written declaration of their assets and liabilities before taking office, at the end of every four years and on completing their term of office.¹⁴⁰ Although these declaration documents are to be submitted to the Auditor-General, they remain sealed and are not verified. Indeed, there is little evidence of compliance, as no institution is entrusted with enforcement. The documents are only made available to a court, commission of enquiry or CHRAJ when requested as evidence in an investigation. Whilst the current asset declaration legislation, Act 550, was under consideration in Parliament, the House rejected an amendment that would have allowed public access. The then Rawlings NDC regime supported Parliament in opposing this change. The NDC Minister of Justice and Attorney-General, Obed Asamoah, echoed the views of most Members of Parliament when he argued that making the system transparent would be an invasion of privacy (Parliamentary Debates, 18 March 1998). What appeared inconsistent was that the NDC government, which was made up of former PNDC members, had previously promulgated and complied with a more stringent asset declaration system under the Public and Political Party Office Holders (Declaration of Assets and Eligibility) Law 1992 (PNDC Law 280). Under this system, declarations were transparent as the Auditor-General was required to publish the assets of public officers within 14 days of receiving the forms. Act 550 repealed the PNDC law.

3.4.2 The audit process as an anticorruption mechanism

The types of corruption uncovered through audits are varied. But two important aspects that emerge from a close reading of audit reports are the invaluable wealth of data they present on the management of public accounts and the Auditor-General's independence. This section draws on the Auditor-General's reports on Ministries, Departments and Agencies of central government (MDAs) to highlight the common irregularities in the public sector as well as the challenges encountered in implementing corrective measures.¹⁴¹ The available evidence on irregularities within MDAs paints a bleak picture. The data in table 3.6 below indicates that fraud and errors amounted to approximately ₵657 billion (US\$72 million) for the period between 2002 and 2004 alone.¹⁴² These losses, it must be emphasized, excludes fraud at state-owned corporations which are published separately and paint another grim picture.

¹⁴⁰The public officers required to make asset declaration includes: the President, Vice-President, Ministers of State, Members of Parliament, Presidential Aides, District Chief executives, Ambassadors/ High Commissioners and the heads of state-owned enterprises.

¹⁴¹ The audit reports on District Assemblies and Public Boards/ Corporation are evaluated in the chapters 5 and 6 respectively as part of the case study analysis.

¹⁴² The end of 2004 was the most recent year for which data was available during field research.

Table 3.6

Losses incurred by government Ministries Departments and Agencies (MDAs) in terms of overpayments, payroll irregularities, unsupplied items and errors (2002-2004)

Year	Total Amount (¢)
2002	143.68 Billion
2003	243.44 Billion
2004	269.91Billion

Source: Auditor-General's report on MDAs (2002-2004).

What the audit reports have consistently shown is that Ghana's public sector is plagued with weak internal oversight and lax management. As a result, income/expenditure related areas have become widespread with corruption. Accountants and financial controllers are usually at the centre of such schemes, not least, owing to the control they exercise together with the lack of checks and balances. A typical example is the case of A.K. Johnson, who was an accountant at the Centre for Scientific and Industrial Research (CSIR). Taking advantage of weak internal oversight, this accountant was able to divert about ¢914 million of the CSIR's funds into an unauthorised account. When this fraud was uncovered, Johnson had absconded (Auditor-General's report on MDAs, 2001). Another important trend from audit reports is that decentralized ministries - such as education, agriculture and health - experience a significant level of misappropriation because of insufficient checks and balances. In the education sector, where 60 percent of the budget goes towards salaries, the evidence from audits show that payroll fraud remains extensive. This mostly takes the form of retaining the names of retired or deceased employees on payrolls. In 2000, for instance, auditors detected that four district education officials misappropriated a total of around ¢418 million; only ¢7.8 million was of this amount was retrieved (Auditor-General's report on MDAs, 2000).

Audits also offer an insight into the accountability challenges facing Ghana through revelations of corruption by law enforcement officials. Audit reports have repeatedly indicated a trend of unlawful activity within the Ghana Police Service, mostly, relating to evidence held in police custody. A police station at Wiamease in the Ashanti region, for example, could not account for seven sheep taken into police custody and logged in the station's 'lost/ stolen/ recovered property register'. In this case, the audit service advised the police administration to deal with the officers involved (Auditor-General's report on MDAs, 2002). Similarly, at Ho, in the Volta region, exhibits in police custody, including cash and sewing machines, valued at ¢150 million could not be traced. J.A. Milebor, the officer in charge of exhibits, evaded the audit team and ignored their requests for a meeting (Auditor-General's report on MDAs, 2004). Oversight institutions have likewise been embroiled in malpractices. In 1997, audit reports showed that MPs and parliamentary staff had failed to

account for about US\$36,000 which was disbursed as advance payment to cover foreign travel expenses. Additionally, over 100 parliamentary staffers were identified as receiving double salaries, which resulted in overpayment of about ₵119 million (Auditor-General's report on MDAs, 1997).

In general, audit reports have presented a critical assessment of incumbents regardless of the system of government in Ghana, whether democratic or military. The Auditor-General's independence is further underlined by the approach of not considering any area of the public sector as off limits; mismanagement at the Office of the President has even been detailed in audit reports. Notwithstanding the significance of the Auditor-General to Ghana's anticorruption agenda, two major challenges undercut the efforts made to governance. The first issue is the lack of resources. This has had a direct effect on the timeliness of the audit reports and, to an extent, the effectiveness of audits as an anticorruption tool. Contrary to the constitutional requirement, for audit reports to be submitted to Parliament within a six month period after the financial year has ended, the reports are often laid before the House well beyond the deadline. For example, the report on District Assemblies and Traditional Council covering the period 1997-2000 was only submitted to Parliament in September 2004. Suspects in some cases would have left government employment when financial malpractices and mismanagement are uncovered. This affects accountability, given the fact that tracing suspects has remained a complex process in Ghana.

The second major challenge is enforcing audit recommendations. As noted above, the Auditor-General makes recommendations in the annual reports, but these are mostly not implemented. This has contributed to the recurrence of irregularities. Audit Report Implementation Committees (ARICs) have the mandate of enforcing audit recommendations and the Audit Service law (Act 584) calls for one to be established in all government departments. However, as of October 2005, approximately 67 percent of the 111 MDAs the Auditor-General examined did not have an ARIC in place (Auditor-General's report on MDA's, 2004). In a number of cases, where efforts are made, the remedial measures have not been sufficiently punitive to serve as a deterrent. J.H. Mensah, a former Chairman of Parliament's Public Accounts Committee, once pointed out that public servants directly responsible for misappropriation or embezzlement have, as a practice, been sanctioned by simply being transferred to other government departments (Parliamentary Debates, 11 July 2000). Yet the action of Parliament, as an institution with oversight powers, has been to debate audit reports, express justified concern about widespread mismanagement and then mostly fail to certify that public bodies have complied with corrective measures. Examining Parliament's role in detail is what this study next attempts.

3.5 Public Accounts Committee of Parliament (PAC)

Mr. Speaker, I rise to comment on the report and to say that since 1994 this Parliament has gone through the annual rituals of reading and debating the Public Accounts Committee's reports only for the reports to end up on shelves to gather dust or in some cases some of them find their way into the hands of groundnut and roasted plantain sellers and nothing is done about them...[W]hat are we going to achieve if in the year 2001 we are presenting a report on an institution dating back to 1997?...I do not remember any occasion on which Government or Parliament has taken action on these reports.

Kosi Kedem NDC (MP) - Hohoe South. Parliamentary Debates, 23 October 2001

3.5.1 Mandate and functions

PAC is a key standing committee of Ghana's Parliament. For the period under study, it comprised 25 members and was chaired by an MP who did not belong to the party controlling the executive branch of government. PAC chairpersons, between 1993 and 2004, also happened to be MPs occupying the position of Parliamentary Minority Leader. This, perhaps, signifies the committee's importance. The committee's primary responsibility is to scrutinize the audited public accounts presented to Parliament by the Auditor-General. In carrying out this task, PAC holds hearings and takes evidence by summoning officials, such as departmental heads, to explain matters in the audit reports that relate to their institutions. The committee must then propose remedial measures and report back to the House. PAC's approach has usually involved restating the Auditor-General's proposals. The statement by Kosi Kedem, cited above, succinctly describes how Parliament has handled the enforcement of audit recommendations. The hint of frustration in the Kedem's statement may be explained by the fact that, as parliamentary records indicate, he repeatedly called for a more robust scheme to ensure corrective measures were implemented. Yet compliance has rarely been followed through, hence raising doubts about PAC's contribution to anticorruption.

3.5.2 PAC and anticorruption

Demonstrating political will for accountability is integral to PAC's potential effectiveness, and to show how the committee has exercised this, two cases are examined. In 2002, PAC sought the Speaker of Parliament's approval to undertake a corruption enquiry involving a District Chief Executive (DCE). This centred on allegations that Joe Dankwah, the incumbent DCE of Wenchi, in the Brong-Ahafo region, had engaged in corrupt activities relating to the award, execution and payment of a contract for the renovation of the DCE's official residence. On receiving the Speaker's consent, a PAC sub-committee visited Wenchi to determine the facts of this case. Apart from inspecting the renovation project, the sub-committee also took evidence from a range of witnesses including the DCE, officials of the District Assembly and the Regional Minister for Brong-Ahafo.

The findings of the investigations showed that the DCE violated tender procedures and single-handedly awarded the contract to the constituency chairman of the then ruling NPP (PAC, 2003). Additionally, there was no written agreement for the work. Invoices supplied by the contractor, the committee established, were forged to support the ₵25 million which the

contractor had already received. Even though the regional Minister cancelled the contract, when allegations of corruption surfaced, the committee's investigations determined that work done was not commensurate with the payment received by the contractor. PAC recommended to the House that the DCE receive a written reprimand and officials at the district level be offered improved training. Parliament gave this bipartisan support. The penalty was not severe, but this was a rare case where the committee used its initiative and exercised its oversight powers in order to prevent further abuse. This case confirms that - when political will is demonstrated - PAC can make a constructive contribution to the process of accountability.

On the other hand, failing to act has been the distinctive feature of the committee and the second case denotes this trend. After Ghana's general elections in 2000, the NPP, which gained the Presidency, also secured a majority in the House. The opposition NDC MP, Alban Bagbin, took up the role of Minority Leader in Parliament and PAC chairman. Ironically, during this period, the Auditor-General reported that Bagbin, the PAC chair, had abused public office. When the NDC was in power, Bagbin had been appointed to the board of the Ghana Ports and Harbours Authority (GPHA), a public corporation. Indeed, appointing MPs to serve on the boards of state-owned corporations has long been a means of distributing the spoils of office by incumbent parties. Audits showed that Bagbin had used GPHA vehicles for his parliamentary re-election campaigns in 1996 and 2000.¹⁴³ Central to the case was a Nissan Patrol vehicle which had been written-off due to an accident that it was involved in when Bagbin was en route to his constituency in Nadowli, located in Ghana's Upper West region. As the trip was not considered 'company business', the Auditor-General requested the PAC chairman to refund the cost of the vehicle. Expenses such as fuel allowances and per diem paid to GPHA drivers over this period were additionally demanded.

Bagbin admitted using GPHA resources for purposes unrelated to the organization's work, but argued the Auditor-General's decision to surcharge him was "arbitrary and without basis" (GNA, 11 February 2004). The defiant Minority Leader maintained that he only enjoyed what were considered as 'perks' for board members. Bagbin even challenged government to prove his conduct had been unlawful (CDD, 2004a). The apoplectic reaction, by none other than the PAC chairman, highlights the deep problems with oversight - when use of public resources for private gain is viewed as acceptable by the same leaders who scrutinize public accounts. This case led to numerous accusations with Bagbin branding the Auditor-General's actions as 'politically motivated'. The Minority Leader even suggested the audit revelations were prompted by the fact that he had objected to the appointment of the

¹⁴³ The Bagbin-GPHA case, which documents abuse of public resources dating back to 1996 but only published after 2001, points to how late submission of audit reports can make redundant the concept of appointing an opposition MP to chair the PAC. The design here was to ensure effective checks and balances, yet the time lag, owing to the lack of resources, may result in the PAC chair deliberating on their party's term in office.

Auditor-General, Dua Agyeman.¹⁴⁴ No action was taken against Bagbin. The ruling NPP members in the House together with government failed to show the political will to pursue this case. CDD (2004a) is accurate in arguing that, besides a corporate governance deficit, the inaction was influenced by fears of Bagbin producing identical examples within the then NPP administration.

The resource constraints PAC encounters have also affected its effectiveness. The committee does not have the capacity and logistics to amply fulfil the challenging mandate of reviewing the Auditor-General's reports. PAC has no set budget and subsists on the already stretched funds of the Parliamentary Service. The committee is understaffed, relative to its workload, as it has a staff of just three - a Clerk, an Assistant Clerk and a Secretary who all share a single computer. PAC also has basic difficulties such as finding meeting rooms and has to jostle with other groups to use the Speaker's conference room which hosts all other important parliamentary meetings. In fact Parliament in general suffers from lack of office accommodation. President Kufuor, in his 2001 State of the Nation address, promised to resolve this situation in order to make Parliament effective; this did not materialize. As of 2006, only the Speaker, his two deputies and the leadership of the House had office space.

Overall, despite the assertion of Camillo Pwamang, the Clerk to PAC, that some officials summoned by the committee, appeared before it 'trembling' the outcome of hearings do not correspond with the picture described.¹⁴⁵ This is because compliance with the recommendations made by Parliament remains limited. There is also little evidence to suggest that implementation is verified by the committee. Bagbin, whilst chairman of PAC, claimed that some cases were referred to the police for enforcement.¹⁴⁶ But the police lack the credibility and capacity to carry out this function. It is not entirely surprising that the African Peer Review Mechanism (APRM) 2005 country report on Ghana delivered the verdict that PAC had fallen short of public expectations and ranked its efforts in fighting corruption as low.

3.6 Office of Accountability (OoA)

The OoA was established in 2003 by the Kufuor administration. It is a unit within the Office of the President but little is known about its activities. The OoA states its mandate is derived from the President's executive authority and emphasizes that its mission is to "prevent" and act as an "early detection" system with reference to corruption that involves political

¹⁴⁴ Unstructured interview with Alban Bagbin, NDC (MP) and Parliamentary Minority Leader at Parliament House, Accra. 10 May 2004.

¹⁴⁵ Unstructured interview with Camillo Pwamang, Clerk to the PAC at Parliament House, Accra. 16 November 2005.

¹⁴⁶ Unstructured interview with Alban Bagbin, NDC (MP) and Parliamentary Minority Leader at Parliament House, Accra. 10 May 2004.

appointees.¹⁴⁷ The OoA clarifies it does not duplicate the functions performed by CHRAJ and SFO. Instead, the Office maintains its anticorruption role corresponds to an "in-house mechanism" within government.¹⁴⁸ The Office is structured in the form of a three-member commission appointed by and accountable to the President. The chairman of the OoA, Kwame Oduro, explains the Office conducts investigations on its own initiative or on receiving complaints about corruption from the public.¹⁴⁹ Even though it has a few staff, the chairman clarified the unit was assisted, when necessary, by the police and the Bureau of National Investigations (BNI) - a state security agency. On completing investigations, a report is apparently submitted to the President who determines the steps to be taken - if required.

The governance community in Ghana have a sceptical view of this Office and generally pour scorn its supposed role. President Kufuor's appointment of Florence Sai as the OoA's first chairperson dented any potential credibility of this institution. This is because, at the time of Sai's appointment, her husband was a Presidential Advisor, while her daughter also held a position in the same Kufuor administration as a prominent Presidential Aide. Critics questioned the government's seriousness on governance arguing that, for such a sensitive position, an individual without family ties to the government would have been appropriate.

Besides the OoA's existence, there is not much to show for its work. Since its establishment, numerous ministerial corruption scandals have emerged, but the OoA has been noticeably mute in response. One embarrassing case was an abuse of office incident that occurred at the Presidency. This involved Moctar Bamba, a long standing acquaintance of Kufuor, who was a Deputy Minister of State at the Presidency and MP for Wenchi East constituency, in the Brong Ahafo region. *The Ghanaian Chronicle* on 3 February 2004 began serializing a 'dossier' which contained allegations that Bamba used his office to engage in various acts of corruption. This included fraudulent use of letterheads from the Presidency to obtain Austrian visas for bogus NPP officials, under the pretext that they were attending the inauguration of the party's branch in Graz, Austria (*The Ghanaian Chronicle*, 6 February 2004). Bamba was also accused of using, once again, the Presidency's letterheads to secure government guaranteed loans for a private company in which he held shares. *The Chronicle* claimed this was done by forging the signatures of some Ministers of State. Bamba admitted to 'indiscretions' and resigned his position as a Deputy Minister, but no official investigations were carried out to verify the allegations. Parliament also failed to take any action against Bamba who continued to sit in the House as Parliamentarian.¹⁵⁰ The fact that the OoA

¹⁴⁷ Structured interview with Kwame Oduro, Chairman of the Accountability Office at the OoA's office in Accra. 17 January 2006.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid.

¹⁵⁰ The NPP and NDC MPs' in the House failed to initiate a parliamentary enquiry against their colleague. The NPP Majority Leader in Parliament, Felix Owusu-Agyepong, stated that Parliament would only debate the issue if a

remained silent on the above case, which took place at the Presidency, together with subsequent incidents of ministerial corruption marred its reputation.

All the same, Kufuor continued to stress the integrity of the Accountability Office. In his 2006 State of the Nation address, Kufuor cited the OoA as an institution where those intending to make complaints about corruption could address their concerns and added that the Office could be “trusted to act independent of government” (Republic of Ghana 2006:12). Oduro, the OoA chairman, also maintains that his outfit has contributed to governance but does not detail how this has been done.¹⁵¹ The future of the OoA in Ghana’s anticorruption framework remains uncertain, as it does not have any constitutional or legislative backing. Thus it may not be surprising if the Office is scrapped by President John Atta Mills’ NDC administration which assumed office in January 2009.

3.7 The Criminal Code’s section 179A (3) (a)

Remember that while most people are praying that we do well, our opponents are hoping that we fail. They will be watching us. Any whiff of corrupt practices will sink us and I serve notice that I shall be unforgiving with any minister who will be involved in such practices...Let us keep our hands clean...and let us work to justify the trust reposed in us.

President John Kufuor’s keynote address at orientation workshop for Ministers of State and senior government officials held at the Ghana Institute of Management and Public Administration (GIMPA). Full text of the address reported in *Daily Graphic*, 27 March 2001.

The Criminal Code emerged as a potent anticorruption tool under the Kufuor NPP administration. Section 179A (3) (a) of Ghana’s Criminal Code (Act 29), 1960 as amended by the Criminal Code (Amendment) Act, 1993 (Act 458) states that “any person through whose wilful, malicious or fraudulent action or omission the state incurs a financial loss commits an offence”. The use of Criminal Code to prosecute those considered to have caused ‘financial loss to the state’ therefore attaches criminal liability for such offences. The above law was put on the statute books, single-handedly, by the NDC in 1993 when it controlled both the Presidency and the legislature. Prempeh and Asare (2003:5) point out that section 179 of the Criminal Code was a ‘re-enactment’ of certain sections of the Public Tribunals Law (PNDC Law 78) that dealt with so-called “special offences” including causing loss, damage or injury to public property – monetary or otherwise. With the return to constitutional rule, in 1993, Ghana reverted to a unitary legal system in place of the dual judicial structure of public tribunals and regular courts that existed during PNDC era. The continued use of PNDC law 78, which applied only to public tribunals, would have entailed constitutional difficulties; the re-enactment was thus aimed at bringing it within the regular courts’ jurisdiction (Prempeh and Asare, 1993).

formal complaint was filed, but added the House had “more important issues to deal with” (*Joy FM*, 17 February 2004).

¹⁵¹ Structured interview with Kwame Oduro, chairman of the Accountability Office at the OoA’s office in Accra.

The first high profile individual to be charged under the law on causing financial loss to the state was Mallam Ali Yusif Isa, a Minister for Youth and Sports in the first term of the Kufuor administration. On 14 March 2001, the *Weekly Dispatch*, a private newspaper, reported that Sports Minister Isa had 'lost' \$46,000 in cash. The money was to be paid out as a winning bonus to Ghana's national football team, the Black Stars, after a World Cup qualifying game against Sudan. Isa claimed he put the cash into his checked-in luggage before flying out from Accra to Khartoum, Sudan, where the Black Stars were scheduled to play (*Daily Graphic*, 15 March 2001). The suitcase, apparently, did not arrive with the Minister's flight and was only found after the game, when Isa was about to depart from Khartoum. This piece of luggage, Isa claimed, "had been tampered with" and on opening could not find the cash and some personal items (*Daily Graphic*, 16 March 2001). Shortly after this story was made public, Isa resigned his position as a Minister. It is worth pointing out that Isa was not a member of the NPP, the then governing party, but was from a small opposition party - the People's National Convention (PNC). The PNC only joined the NPP, in a bipartisan effort, to defeat the NDC in the run-off for the 2000 presidential elections. But Isa's appointment, as a reward for the PNC's support, was not endorsed by his party thus he was left to fight this case alone. In April 2001, criminal charges of stealing and causing financial loss to the state were brought against Isa by the Attorney-General, after police investigations had been conducted.

The former Sports Minister was tried at an Accra 'fast track' court'.¹⁵² Isa pleaded not guilty to the offences but stated in his defence that he intended to raise funds to reimburse the state for the loss incurred. The ex-Sports Minister was convicted by the court in July 2001 on two counts of stealing and fraudulently causing financial loss to the state. He received a four-year sentence.¹⁵³ The swift measures taken by the government underscored President Kufuor's warning, as noted in the quote at the start of this section, to be 'unforgiving' with ministerial corruption. In fact, Kufuor had earlier declared a policy of 'zero tolerance for corruption' in his Presidential inaugural address and Isa's case, which was an unprecedented example of incumbent accountability, appeared to demonstrate the policy in action. This turned out to be the only case where the NPP government showed the political will to investigate claims of incumbent corruption.

¹⁵² Fast track courts were established in 2001 as a division of the High Court. Their main difference from the regular courts is that fast track courts are 'automated' courts that aim to complete cases more speedily (usually within a six-month time frame). The use of computerized systems and other technological devices in recording court procedures improves efficiency and speeds up the judicial process. A Supreme Court ruling declared the fast track courts unconstitutional in 2002 as a result of a petition filed by one of Rawlings' confidantes, Tsatsu Tsikata, who was on trial for causing financial loss to the state. This proved to be only temporary. Kufuor appointed an additional judge to the Supreme Court and when the government's appeal was heard, the decision was overturned hence granting the fast track courts a legal basis once again.

¹⁵³ After serving two years, Isa was granted a Presidential amnesty in 2003.

After the Isa case, the NPP applied the law on causing financial loss to the state only for the purpose of post-regime accountability. This resulted in the prosecution, conviction and imprisonment of senior members of the Rawlings NDC administration. One of the most notable post-mortem cases is the Quality Grain scandal. This case, as will be outlined, represented a new approach to accountability in Ghana's Fourth Republic. In May 2001, the NPP Attorney General and Minister of Justice, Nana Akufo-Addo, began proceedings against five senior public office holders from the Rawlings NDC regime. The accused were Kwame Peprah, former Minister of Finance; Ibrahim Adam, former Minister of Agriculture; George Yankey, former Director of the Legal Department at the Finance Ministry; Nana Ato Dadzie, former Chief of Staff to President Rawlings and Samuel Dapaah, a former Chief Director at the Ministry of Agriculture. The five accused were charged with multiple counts of wilfully causing financial loss to the state, in violation of the Criminal Code, and conspiracy to commit crime (*The Republic v. Ibrahim Adam and Others*, 2003).

The Quality Grain scandal stemmed from a bogus rice cultivation and processing project. Between 1994 and 2000 Juliet Cotton, an African American, convinced the government of Ghana that her United States (US) based company, Quality Grain Incorporated, was capable of cultivating 20,000 hectares of rice at Aveyime, in Ghana's Volta region. In connection with this, Cotton got the Ghanaian government to act as a guarantor on two separate loans that were obtained from US banks for the rice project. The first loan amount was \$7 million, while the second was \$12 million; interest, penalties and other charges brought the total amount of external loans guaranteed to \$22 million. A significant proportion of the loans were not used for the project. Instead, Cotton misapplied the funds by fraudulently diverting them for her personal use and the loan repayments went into default. The Rawlings government directly provided Cotton with another \$2 million loan in 1999 - when she had already defaulted on the US loans (Prempeh and Asare, 2003). Cotton was later dragged to court by her US business partners for misapplying the funds.¹⁵⁴ A US federal district court in 2002 convicted her on charges of bank fraud, money laundering and false statements; she was sentenced to 15 years in prison (Prempeh and Asare, 2003).

In Ghana, the SFO conducted part of the investigations on the Quality Grain case (SFO, 2001; Prempeh and Asare, 2003; Hasty, 2005c). The timeline of when the SFO began their inquiry is ambiguous. What remains clear is that it was only in 2001, after the NDC were out of government, that the SFO investigations became public. The Attorney-General's order to prosecute the Quality Grain case presented a new approach to accountability in the Fourth Republic because those charged were not accused of directly misappropriating government

¹⁵⁴ The items the US court heard Cotton had used the loans for included a Rolls-Royce, Jaguar, Bentley and two Mercedes Benz cars; she also used the loan funds to pay for her wedding and to make a \$540,000 deposit on a house (Prempeh and Asare, 2003; Ephson 2004). Cotton allegedly told the court that the house, which cost a total of \$1.1 million, was purchased to receive Ghanaian dignitaries (*The Ghanaian Chronicle*, 1 May 2001).

funds. Rather, it appeared that negligence, in the course of their duties, had made the defendants criminally liable for the loss the state incurred as the obligation of repaying the loans fell on the Ghanaian government as guarantor. The trial judge, Kwame Afreh, underscored this point in his judgement. Afreh noted that the actions and omissions – particularly the lack of monitoring by the Ministry of Finance – was evident and ruled that “Cotton was able to perpetrate her blatant fraud as a result of the failure of third and fourth accused [Peprah and Yankey] to discharge their responsibilities” (*The Republic v. Ibrahim Adam and Others* 2003:39).

The evidence relating to the lack of due diligence weighed heavily against the Finance Ministry. For example, the agreements for the second US loan (\$12 million) and the loan provided by the government of Ghana (\$2 million) were made without parliamentary approval. This violated Ghanaian law. Finance Minister Peprah, for instance, approved the government loan and this case also brings to light the weak oversight systems in Ghana's public financial management. Documentary evidence presented in court indicated that official warnings about Cotton were unheeded. This included concerns raised by Ghana's Embassy in Washington, D.C. as a result of background checks it commissioned that came back with a questionable record on Quality Grain Incorporated. Ghana's Ambassador to the US is even reported to have written to President Rawlings indicating Quality Grain Incorporated had misrepresented their knowledge of rice cultivation (*The Republic v. Ibrahim Adam and Others*, 2003). This led to suspicions that those on trial were, possibly, obeying orders from more powerful people in government. It has even been suggested there was a ‘relationship’ between Cotton and Rawlings making her influential in government circles (*The Ghanaian Chronicle*, 23 May 2001).¹⁵⁵ This was not the subject of the trial, as liability fell on the public officers who had approved and executed the loans.

Three of the accused were convicted in April 2003 on conspiracy to commit crime and on multiple counts of wilfully causing financial loss to the state. Peprah, the ex Finance Minister was handed a four-year jail term. Adam, the former Minister of Agriculture and Yankey, the former Legal Director at the Finance Ministry each received two-year jail sentences. The judgement was clear that the three individuals were convicted, in part, for breach of duty associated with the loans and government's guarantee (*The Republic v. Ibrahim Adam and Others*, 2003). Dadzie, Rawlings' Chief of Staff, and Dapaah, former Chief Director of Agriculture Ministry were acquitted and discharged.¹⁵⁶ The NDC's reacted to the sentences with incandescent rage arguing that the trial was politically motivated. This intensified the acrimonious relationship between the two parties.

¹⁵⁵ Hasty (2005c:281) is more direct and refers to Cotton as “an African American woman, who seduced former President Rawlings and was thereby able to swindle the Ghanaian government”.

¹⁵⁶ Adam and Yankey served their terms of imprisonment. In 2005, President Kufuor remitted the remainder of Peprah's sentence.

The Quality Grain case highlights the limitations of the current anticorruption framework - CHRAJ, SFO, Auditor-General and PAC - in terms of incumbent oversight as investigations were only undertaken when the NDC was not in government. On the other hand, the NPP administration's use of the Criminal Code confirms that incumbents can make a valuable contribution to anticorruption - when political will is exercised. But given that the Quality Grain saga was pursued in the form of post-regime accountability, with the political figure of the Attorney-General taking a lead position, the trial took on a party political tone. This view is supported by the fact that President Kufuor shrugged off calls for investigations anytime allegations of corruption were made against senior NPP members. Instead, the NPP administration focused on numerous probes it initiated against the erstwhile Rawlings administration, which critics called a witch-hunt. On the whole, during the Kufuor era, six senior members of the NDC were prosecuted, convicted and imprisoned for causing financial loss to the state.¹⁵⁷

An attempt by the newly elected Mills NDC government to investigate allegations of corruption made against the Kufuor NPP administration cannot be written off. In fact in 2003, John Atta Mills, then the NDC's Presidential candidate, listed 15 specific cases where NPP members had supposedly caused financial loss to the state or engaged in other instances of corruption (GNA, 24 October 2003). Perhaps, former President Kufuor had this in mind when, on his last day in office, he pardoned all NDC members who had served prison terms or were in jail for causing financial loss to the state. Cases that were ongoing in the courts were also withdrawn. Whether these gestures will sufficiently assuage the Mills NDC government is uncertain, but what remains clear is that the application of the Criminal Code's section 179A (3) (a) to incumbents is limited.

3.8 Conclusion

This chapter outlined the institutional landscape of Ghana's multi-agency anticorruption framework. The statutory mandate of the public ACAs - CHRAJ, SFO, Auditor-General and PAC - were examined within the context of their enforcement capacities and independence. CHRAJ has demonstrated that it has potential to scrutinize incumbents. The Commission's investigations of senior NDC members in 1995, which led to their withdrawal from government, confirmed its independence. But CHRAJ's three-pronged mandate as an Ombudsman, human rights body and anticorruption institution has burdened it with a considerable caseload. This issue becomes significant when assessed within the context of its limited funding. The SFO has filled a gap in the anticorruption realm through its specialisation in tackling financial and economic crimes. Yet the evidence suggests that this

¹⁵⁷ The application of the law on causing financial loss to the state also resulted in the conviction and imprisonment of the following senior NDC members from the Rawlings administration: Victor Selormey, former Deputy Minister of Finance; Dan Abodakpi, former Minister of Trade and Tsikata Tsatsu, the former Chief Executive of the Ghana National Petroleum Corporation.

agency does not have the independence to fully carry out its functions. Government interference and the lack of security of tenure for senior SFO officials, in particular, have undercut its ability to engage in incumbent oversight. On interference, the suspension of investigations into the finances of Pentecostal Churches is a case in point. The failure of the agency to report back on the Haruna Esseku (kickback case) where companies, as the ex NPP Chairman stated, made 'contributions' to the party for contracts underlines the SFO's inability to probe incumbents.

The Auditor-General's office has consistently demonstrated its independence through an indispensable appraisal of public accounts. Annual audit reports have provided an invaluable wealth of data on mismanagement in the public sector. Compliance with audit recommendations, however, remains limited. PAC, which maintains the statutory responsibility to scrutinize audit reports and also address issues of non-compliance, has generally struggled to fulfil these functions. The NPP administration's anticorruption 'initiative' of an Accountability Office has not made an impact. Although the Kufuor government claimed this unit's role to be an in-house 'self correcting' mechanism, allegations of ministerial corruption thrived during NPP rule. In fact, the failure to publicly respond to these accusations significantly undermined the OoA's credibility. Section 179A (3) (a) of Ghana's Criminal Code - the so-called law on causing financial loss to the state - has emerged as a powerful anticorruption tool. Through this piece of legislation, criminal liability, when the state incurs a loss owing to wilful negligence, for example, has been adopted as an accountability approach. The applicability of this law to a party in government is still yet to be realized. This is because the NPP administration, which relied on section 179 of the Criminal Code as its preferred anticorruption method, applied this piece of legislation mostly for the purpose of post-regime accountability. But such measures have sometimes been interpreted as politically motivated. Overall, the re-emergence of post-regime forms of anticorruption underlines the argument that public ACAs have a limited effect with reference to incumbent oversight.

In fact, a significant finding that emerges from this chapter is that, when incumbents are involved in corruption, government is hesitant to demonstrate commitment to investigate allegations or comply with remedial measures put forward by ACAs. A case in point is the Rawlings NDC government's initial reaction to CHRAJ's adverse findings made against three of its senior members. As the executive branch of government retains the powers to prosecute, it has been reluctant to press charges when ruling party members are involved. This has a role in the re-emergence of post-mortem forms of anticorruption. On the other hand, government's scrupulous zeal in pursuing post-regime accountability, as in the Quality Grain case, is indicative of the potential contribution that an incumbent can make to anticorruption - when political will exists.

Another important finding from this chapter is the extent to which resource constraints affect public anticorruption institutions. At CHRAJ, the result has been a backlog of cases and the Commission even admits that the lack of resources does not allow it to investigate as many cases as it wishes (CHRAJ, 2003). On the part of the Auditor-General, financial difficulties have led to late audits implying that reports are laid before Parliament years after the mandated deadline. In some instances, those cited for misconduct would have even left government employment thus casting doubt over the relevance of audits. Although Parliament has not always shown commitment to use its oversight authority, inadequate resources similarly affect PAC's capacity to exercise rigorous supervision. The suspicion of some governance experts and anticorruption officials are that reducing resource allocation is an underhand method - adopted by incumbents - to restrict ACAs. This is plausible. As argued in this chapter, the executive branch, which allocates funds, has even cut back on monies already appropriated by Parliament to ACAs. A direct consequence of insufficient funding has implied that ACAs are unable to properly fulfil their statutory duties.

The mandate given to Ghana's ACAs suggests they could play a potentially strong role in anticorruption. But fundamental problems of weak enforcement and inadequate funding, which are rooted in the lack of political will by incumbents, have led to intermittent paralysis. The recurrence of ACA inaction will be made evident in the case studies examined in chapters 5 and 6. Overall, if the effectiveness of anticorruption institutions is taken as the link between their mandate and actual results, only a modest achievement has been realized.

The private press, as noted in this chapter, prompted some key investigations that ACAs such as CHRAJ and the SFO undertook. The pivotal role played by the media, civil society and donors is what the next chapter examines.

Chapter 4

The anticorruption role of donors, the media and civil society: Mission impossible?

4.1 Introduction

Starting from the early 1990s, the nascent role of donors, the media and civil society organizations (CSOs) in Ghana's anticorruption process has changed significantly. What has emerged is a movement that has gained increasing prominence. Indeed, the active involvement of these three groups in anticorruption constitutes a marked difference between the current governance environment and previous accountability experiments. The emergence of 'good governance', as a central theme in the development discourse of the World Bank, has given prominence to anticorruption agendas. Particularly, this relates to the detrimental effects corruption is perceived to have on economic development (World Bank, 1997b; DANIDA, 2003).¹⁵⁸ Apart from the fundamental role of the rule of law, accountability and transparency, good governance also advocates the watchdog role of the media and civil society as crucial.

The primary aim of donors in anticorruption is to prevent embezzlement of development aid. This is emphasized by the introduction of good governance as a conditionality. The media as the 'fourth estate' occupies a watchdog position. Besides uncovering malpractices, the media helps to promote public awareness through education and generating interest in the anticorruption debate. For their part, CSOs have also been instrumental in drumming up support for the anticorruption agenda. Not least, global movements such as Transparency International have also helped increase the profile of CSOs in an advocacy role.

What donors, the media and civil society have in common is their link to good governance and determination to tackle corruption. In Ghana, the evidence suggests that these three groups play varied, yet, complementary roles in the anticorruption process. For example, donors have predominantly bankrolled CSOs and facilitated bridge-building between government and civic groups. Additionally, donors have been instrumental in providing training and incentives for investigative journalism. On the other hand, the media, among others, have promoted the anticorruption programmes and research of civil society. CSOs, for their part, have also followed-up on some of the investigative work carried out by the media and pressed for official enquiries.

¹⁵⁸ The World Bank (1989), *Sub-Saharan Africa: From crisis to sustainable growth. A long-term perspective study*, was one of the first major documents from the Bank raising the issue of good governance.

This chapter focuses on the anticorruption bodies outside the formal structure of the state in Ghana. The key objectives are twofold: assessing the effectiveness of each group's mission in the anticorruption process and evaluating their combined impact as a movement. Further, their relationship with government, whilst pursuing this agenda, is examined. In general, the chapter sets out the argument that:

(1) Donors have made an ample contribution to Ghana's anticorruption efforts. This has mostly been exhibited through funding for both public anticorruption bodies and CSOs. However, when the political will to implement anticorruption measures has been lacking, donors, contrary to the governance rhetoric, have failed to take firm action against government. Ghana's deepening democratic credentials, particularly in an African context, appears to be a key explanation. This is because donors have been keen to sustain a so-called African success story bolstered by five consecutive democratic elections.

(2) The media in Ghana's Fourth Republic have been a valuable cornerstone of anticorruption. Still, it is argued that there exists a clear difference in approach between the private and state-owned media. Whereas the state media have focused on civil servants, usually low level officials accused of embezzlement, the private press have their lenses trained mostly on corrupt senior politicians. Government influence may perhaps explain this variation. Further, it is argued that whilst the Constitution has provided guarantees for a free press, serious constraints remain. Intimidation, limited skills and ethical challenges are identified as inhibiting the media's potential.

(3) CSOs have emerged as a vanguard body in tackling the long epidemic of corruption in a way that has been unprecedented in Ghana's history. Over the course of the Fourth Republic, the growth of governance and anticorruption specific CSOs, as vocal and credible stakeholders, has facilitated this process. The key strength of civic groups is demonstrated through their bottom-up approach of creating grassroots awareness. Policy analysis and reform proposals coming from these groups have likewise been notable. Yet government, stopping short of recognizing civil society's power in influencing public opinion, has been hesitant to take on board criticisms and suggestions. Some civic groups are also faced with serious challenges, particularly, that of sustainable funding which appears to curtail the advancement of their role.

Notwithstanding the individual challenges, donors, the media and civil society constitute a significant anticorruption movement. Political will is what emerges as the central factor thwarting their combined efforts.

4.2 The anticorruption role of donors in Ghana: Walking a diplomatic tightrope and pandering to a 'star pupil'

During Ghana's structural adjustment exercise, under the guidance of the World Bank and the International Monetary Fund (IMF), donors focused principally on macroeconomic reform.¹⁵⁹ The emergence of good governance has, however, placed anticorruption at centre stage. The evidence for this is manifested in the support by multi-lateral and bilateral donor for numerous anticorruption programmes across the developing world. In the case of Africa, anticorruption is said to form a significant portion of development assistance (Michael, 2004). Aid, therefore, is presented to some extent, as a reward for recipient countries' good policies and honesty.

However, the debate on the relationship between aid and corruption raises doubts about donors' good governance rhetoric. Alesina and Weder (2002) provide cross-country empirical evidence that looks at the relationship between foreign assistance and domestic corruption; there is little evidence of aid (debt relief) being targeted at less corrupt governments. Examples in the case of Mozambique and Uganda (both aid dependent countries), tends to support this line of argument. Hanlon (2004) provides evidence in the case of Mozambique, where donors have failed to sanction the government despite proof of widespread corruption. Likewise, Tangri and Mwenda (2006) make a convincing argument in the case of Uganda. In fact they argue that donors have been "reticent" in condemning the government in the face of corruption (Tangri and Mwenda, 2006:101).¹⁶⁰ Some literature even suggests aid may lead to an increase in corruption (Svensson, 2000; Knack, 2001; Alesina and Weder, 2002).

The task of policing the good governance aspect of aid, however, has proved diplomatically tricky. This is because it impinges on the political set-up in aid-recipient countries and comes across as a matter of interference. Kenya, nonetheless, provides an example where donors have openly demonstrated intolerance for corruption. Edward Clay, a former British High Commissioner to Kenya, notoriously broke diplomatic protocol and publicly remarked that the Kenyan government were "eating [an expression for embezzlement] like gluttons" and "vomiting on the shoes of donors" (*The Economist*, 12 February 2005). The World Bank also withheld loans of about \$250 million to Kenya in 2006 due to concerns over corruption at the top-level of government. But, it must be noted that corruption in Kenya is classed as endemic with yearly

¹⁵⁹ As will be discussed in chapter 6, the privatization aspect of structural reforms was also cited as having an anticorruption dimension even though it opened up new areas of fraud.

¹⁶⁰ Marysse et al. (2007) also suggests that 'good governance' is not the criterion donors use in allocating Official Development Assistance (ODA) with respect to the countries in the Great Lakes region of Africa. They find that considerations - such as political stability and security - have been taken into account as factors to 'discriminate' in favour of Rwanda which they term an 'aid darling' (Ibid.). This is in contrast to Burundi (a country sharing a comparable governance record with Rwanda) but receiving less development assistance.

estimates of about \$1 billion being pillaged from public accounts. The country's blatant evidence that it lacks the will to tackle corruption may have provoked the donor responses above.

The anticorruption aspect of good governance by the donor community appears to be selectively applied. In some countries, there is an approach of all-carrot and no-stick. The Ghana case, which to a limited extent shares similarities with Uganda, falls into this category. Both countries have been hailed as successful economic reformers having diligently undertaken IMF and World Bank programmes. Tangri and Mwenda (2006) contend that successful macroeconomic reforms in Uganda have resulted in the provision of more aid to support a 'star pupil'. Despite the lack of 'political will' in the area of anticorruption, donors seem to overlook this obstacle. Economic progress (and principally democratic development in Ghana's case) appears to have made up for government's shortfalls.

This section outlines the variance that exists in the strategies used by donors in Ghana's anticorruption agenda. Certain donors simply provide assistance whilst others dictate policy preferences. In general, donor support for anticorruption in Ghana constitutes both top-down and bottom-up measures which broadly fall into the following groups:

- (i) Technical assistance – e.g. supporting public sector reforms in corruption prone areas.
- (ii) Capacity building – e.g. providing anticorruption agencies with logistics and training.
- (iii) Legal and policy framework – e.g. proposing legislation.
- (iv) Civil society and media – e.g. supporting advocacy programmes.

Overall, limits do exist in the different donor approaches. In Ghana, government sometimes appears to 'accept' donor anticorruption measures only to keep them happy. However, when it comes to implementation, where donor influence is limited, progress stalls. Donors tread the diplomatic tightrope and hardly criticize government publicly. Yet, in private, there are grumblings about government's will to fight corruption. Even then, some are quick to explain that rewards of further aid are influenced by Ghana's favourable democratic record.

The sections which follow examine the role of three key donors in Ghana's anticorruption efforts. The extent to which these efforts are undercut by China's emerging influence - as an alternative source of development assistance with 'no-strings' attached - is also evaluated. The analysis presented draws on qualitative work undertaken in Ghana and existing empirical evidence.

4.2.1 The World Bank

The good governance conditionality of the World Bank is manifested in the strong anticorruption component of its country assistance strategies. The Bank's key objective is to pursue a plan that "minimizes corruption's negative effect on development" (World Bank 1997b:23). By 2001, the World Bank is estimated to have undertaken about 600 anticorruption and governance programmes across 100 member countries (Knack, 2001). As the Bank's anticorruption plan emphasizes prevention, streamlining procedures and processes remain key.

In Ghana, the Bank's anticorruption work can be grouped into three main areas – public financial reforms, capacity building and support for CSOs. The public reforms dominate the World Bank's anticorruption work, and as such, the review of the Bank's role here focuses mainly on this area. In fact, recent legal and institutional reforms in Ghana's public finance provide a clear demonstration of the Bank's role. Smile Dem Kwawukume, the World Bank's Public Sector Management Specialist in Ghana, explained that the Bank had "helped" government with guidelines on the Public Procurement Act, 2003 (Act 663)¹⁶¹. Similarly, the Bank official noted the internal audit process had been identified as weak. Thus, the World Bank "supported" the formulation of the Internal Audit Agency Act, 2003 (Act 658). There was also Bank involvement in another law, the Financial Administration Act, 2003 (Act 654). These three pieces of legislation were aimed at areas which significantly affect corruption. Yet the strong imprint of the World Bank raises suspicions that they were not government initiatives. Kwawukume played down this suggestion. Still, the careful wording used by the interviewee – "helped" and "supported" – appeared well-placed to dismiss notions of heavy involvement or an indication of who dictates the agenda. The NPP, on the other hand, has periodically pointed to these three laws as its major contribution to Ghana's anticorruption agenda.¹⁶²

The Bank remains optimistic about the effectiveness of the above legislation and is keen to support their implementation.¹⁶³ Kwawukume stressed that the mandatory placement of internal auditors in public institutions, a requirement under the internal audit law, will strengthen internal control mechanisms. But there appears to be potential weaknesses in this law, which the Bank fails to admit. Indeed, internal auditors are independent, as they do not report to the heads of the institutions where they are based. However, the effectiveness of the internal audit process is

¹⁶¹ Structured interview with Smile Dem Kwawukume, Public Sector Management Specialist at the World Bank (Ghana) Country Office in Accra. 19 January 2006.

¹⁶² Recently, a leading member of the ruling NPP, Arthur Kennedy, made strong claims, though unsupported by evidence, that the implementation of the Procurement Act alone had saved government \$350 million that would otherwise have been misappropriated (Kennedy, 2008).

¹⁶³ The Internal Audit Board is the supervisory body to ensure the implementation of the Internal Audit Law. The Bank has promised to support the Board with training and logistics in order to kick start implementation.

called into question, as section 16 (8) of Act 658 mandates Audit Report Implementation Committees (ARICs) to implement internal audit recommendations. ARICs, as noted in chapter 3, are the same intra-departmental units charged with enforcing the Auditor-General's proposals, yet they are non-existent in most government departments. Further, where they exist, ARICs have not been proficient in implementing audit recommendations.

Recent prescriptions involving the World Bank such as the Heavily Indebted Poor Countries Initiative (HIPC), which Ghana signed-up for, also have an anticorruption element. This is embodied in the transparency and accountability requirements of the public financial management component.¹⁶⁴ Well-placed sources at Ghana's Ministry of Finance claim HIPC has helped improve accountability but add that this is accompanied by excessive donor interference. All the same, it is an irony that HIPC funds, which are released on the attainment of sound targets including anticorruption, have also been a source of embezzlement.¹⁶⁵

The capacity building role of the World Bank has included assistance to oversight institutions such as the Public Accounts Committees of Parliament (PAC). Likewise, other parliamentary staff have also benefited from training supported by the Bank. As part of the overall assistance to the Serious Fraud Office (SFO), the Bank is noted to have planned a US\$5 million contribution for technology enhancement of this anticorruption agency (GTZ, 2002).

The Bank office in Ghana argues that, as part of its engagement with civil society groups involved in the anticorruption process, it encourages dialogue between government and CSOs. In terms of financial support to CSOs, the World Bank is limited by its status as lender to government. However, besides project specific funding, there is a small grants scheme of between US\$45,000 and US\$60,000 each year from which civic bodies may apply to receive support. Also in this area, other research work initiated by the Bank has made an important contribution. This includes the first detailed survey on corruption - *The Ghana Governance and Corruption Survey (2000)* which was commissioned by the Bank and carried out by the Accra-based governance institute, the Ghana Center for Democratic Development (CDD).

4.2.2 The Department for International Development (DFID)

The United Kingdom's DFID has also been actively engaged in anticorruption efforts. As a result, DFID provides capacity building support to anticorruption watchdogs such as the SFO, PAC and

¹⁶⁴ HIPC is a debt reduction programme financed by both bilateral and multi-lateral creditors. Countries which enlist in HIPC develop a Poverty Reduction Strategy Paper (PRSP) and undertake specific IMF and World Bank adjustment reforms. Donors monitor progress at specific stages to ascertain debt relief eligibility based on set targets.

¹⁶⁵ The Akuapem South DA case, noted in the next chapter, provides an example of HIPC funds being misappropriated.

the Commission on Human Rights and Administrative Justice (CHRAJ). In addition to direct contributions to anticorruption CSOs, DFID has further financed civic groups through the Ghana Research Advocacy Programme (GRAP).¹⁶⁶ This donor also reports that about £1.8 million had been made available to GRAP as of early 2006.¹⁶⁷ But, like the World Bank, DFID support is dominated by public financial reforms. Payroll management has received extensive attention from DFID and thus forms the focus of this section.

Public payroll fraud, as noted in chapter 3, is an endemic problem raised repeatedly by the Auditor-General. Despite numerous investigations by agencies, such as the SFO and the establishment of a special payroll unit within the Audit Service, the problem has persisted. Large government bodies including the Ghana Education Service and the Ghana Health Service are most prone to payroll malpractices. One cause of the problem is the structure of the education and health services, which are decentralized. In Ghana this brings about difficulties in verifying regional and district level employees. The structural design has also combined with lags in administrative procedure. For example, delays in deleting names off the government payroll, as a result of retirement or death, has meant that salaries are still paid out to those not entitled to receive them. In some cases, these bottlenecks have been deliberate, owing to collusion between officials of the Controller and Accountant General's Department (CAGD), the government paymaster, and respective government agencies.¹⁶⁸ The CAGD, in particular, has been notorious in reincarnating deceased employees and stuffing their names on the payroll.

The scope of the problem is perhaps best understood from one major reform attempt. In 2001, the NPP Minister of Education set up a task force to "exorcise" ghost names from the Ghana Education Service payroll (*The Ghanaian Chronicle*, 15 October 2001). This resulted in about 10,000 (out of an estimated 30,000) names being removed from the education pay register. Ghana's Deputy Auditor-General estimates that, between 2000 and 2002, salaries paid to about 2,000 'ghost employees' on the civil service payroll alone cost taxpayers US\$20 million (Global Integrity, 2006).

DFID has attempted to assist the Ghanaian government with tackling this problem, as part of the broader public financial management restructuring. The replacement of the predominantly

¹⁶⁶ GRAP provides core funding in areas including governance. The support from this scheme allows CSOs to conduct their own research initiatives rather than the project specific ones of donors.

¹⁶⁷ Structured interview with Daniel Arghiros, Governance Advisor at the Department for International Development (Ghana) country office, Accra. 21 February 2006.

¹⁶⁸ Amoako-Tuffour (2002:9) paints the picture of those involved in payroll fraud being a "closely knit syndicate" aware of the "net positive payoff"; this, he argues, is due to the low risk of detection and, in the unlikely case of conviction, the accompanying trivial punishment.

manual, and manipulation-prone, payroll process with a computerized system was identified as a solution with inherent checks and balances. As such, the Integrated Personnel Payroll Database (IPPD) project was instituted to strengthen and reform this tricky area of fraud. However, this initial project was abandoned due to supposed teething troubles. First, design problems in IPPD were notable. OPM (2006) notes many of the basic rules - for good practice of an information technology system - had been violated. But crucially, lack of government commitment to the integrated payroll project is further cited as contributing to its weakness (OPM, 2006). This claim is supported by another recent study, ODI (2007:3), which points to "political commitment" as "fluctuating and incomplete" in Ghana's public financial management reforms. The mention of 'political commitment' by the above ODI report, lends support to the question as to whether the problems encountered were simply by design rather than intent. Given that Finance Ministry officials were given a key role in the reform process, this question is further warranted by another report, Azeem et al. (2006), which argues that the system was not sufficiently tested. Kofi Nti, an official at the CAGD, also explains that a series of events such as the inadequate staff training, the use of French as the language of the proposed payroll system (Ghana is English speaking) and IPPD officials' selection of *UNIX*, a relatively complex operating system added to the failure of the initial payroll reform.¹⁶⁹ These events combine to provide plausibility to a claim by 'Q' (an anonymous interviewee familiar with the project) who noted that the payroll reforms were "manipulated" not to succeed.¹⁷⁰

DFID has embarked on another IPPD project on payroll reform. But this process is also being buffeted by Finance Ministry officials. It is probable that vested interests, particularly those in the Finance Ministry (to which the CAGD belongs), may have a role. 'Q' explained that, as of late 2005, after about eight months of "intensive restructuring", officials appeared to be on the back foot with the new IPPD reforms.¹⁷¹ Overall, the obstacles faced in DFID's support for payroll restructuring presents an example of the experiences some donors encounter in the area of anticorruption. Still, in this scenario, the different issues encountered are arguably symptoms of a much deeper problem – political will. The usefulness of dialogue, which donors tend to advocate when faced with government inaction, remains to be tested in this long-drawn out issue.

¹⁶⁹ Unstructured interview with Kofi Nti, a senior official at the Head Office of the Controller and Accountant-General's Department in Accra. 17 May 2004. The command line interface approach of *UNIX* instructions made the system ideally suited for programmers rather than the unseasoned users in the Ghanaian civil service.

¹⁷⁰ Structured interview with 'Q' in Accra 1 December 2005. Due to the nature of allegations made, 'Q', a well-placed source, wanted to remain anonymous.

¹⁷¹ Ibid.

4.2.3 United States Agency for International Development (USAID)

The approach of USAID to anticorruption in Ghana places emphasis on prevention. As a result, institutions such as CHRAJ have received assistance. The USAID also considers as vital, bottom-up anticorruption methods which complements the work of oversight institutions. Along this line, USAID has worked with CSOs like the Ghana Integrity Initiative (GII) to promote public awareness on corruption. Governance bodies such as the Ghana Center for Democratic Development (CDD) have also been granted funding to conduct governance related research. Additionally, the role of the independent media has also been recognized and USAID has proposed the institution of an annual award scheme for investigative journalists.¹⁷²

In stark contrast to other donors, the USAID openly declares its strategy of indicating policy preferences, particularly, with respect to strengthening legislation. This approach is different to that of DFID, which does not get involved in proposing legislation, or those of the World Bank, which is somewhat heavily involved in drawing up guidelines but denies dictating rules. Ted Lawrence, Democracy and Governance Officer at the USAID Ghana office, states clearly that USAID provided the initiative for Ghana's whistleblower legislation.¹⁷³ Prior to this, a draft proposal had been developed by the Institute of Economic Affairs (IEA), an Accra-based think-tank generously funded by USAID. After a protracted period, the draft bill was signed into law in October 2006 as the Whistleblower Act, 2006 (Act 720). Essentially, the law provides a blueprint for investigating cases when individuals, in the public interest, disclose information relating to illegal or corrupt acts. The protection of a whistleblower against civil and criminal action, as well as victimisation, is further guaranteed under this law.

Still not all USAID's legislative interests have been adopted. For example, Lawrence indicated that USAID had been in favour of getting prosecutorial powers for the SFO, but the Attorney-General had maintained such a move will be unconstitutional.¹⁷⁴ In Ghana, as argued in chapter 3, the Attorney-General, who is also the government Minister for Justice, has the sole prerogative to initiate criminal prosecutions. The USAID is still keen on exploring alternatives to enhance the SFO law in order to make the agency more independent. On the other hand, USAID appears to be frustrated about the progress of another piece of legislation - the Freedom of Information Bill - of which the Agency remains a strong proponent. Although insistent that the Information Bill is not a USAID initiative, Lawrence stresses the bill's potential to enhance

¹⁷² Structured interview with Ted Lawrence, Governance and Democracy Officer at the United States Agency for International Development (Ghana) country office, Accra. 26 January 2006.

¹⁷³ Ibid.

¹⁷⁴ Ibid.

transparency. This is because the proposed legislation will guarantee the right of access to information under the control of government agencies.¹⁷⁵

The Millennium Challenge Account (MCA) of the United States government appears to be a leverage tool in anticorruption.¹⁷⁶ The eligibility criteria for MCA support stresses considerably on good governance. Various areas of governance are graded using independent and World Bank indices relating to corruption control, civil liberties and trade policy among others. Ghana became eligible for MCA funds and signed a five-year agreement in August 2006 to receive \$547 million. However, even after an agreement has been signed, continuous monitoring serves as an anticorruption mechanism given that uninterrupted access to funds is contingent on satisfactory MCA scores (MCC, 2006).

In general, it can be argued that USAID does not shy away from speaking out on anticorruption. USAID's Lawrence was unequivocal about the fact that 'political will' to implement measures that enhance anticorruption was lacking and stated this was the main challenge the Agency faced.¹⁷⁷ Yet, while the Agency insists on the importance of pressing government for anticorruption to be effective, this stance is finely balanced with a soft diplomatic line due to Ghana's democratic credentials. This is inferred from the USAID official's argument that Ghana's consecutive democratic elections deserved considerable praise especially when compared to her immediate neighbours - Togo and Côte d'Ivoire.¹⁷⁸ This feat, it appeared, precluded penalties. The above suggestion is consistent with the widely held view that democracy remains the key focus of the United States in terms of governance (Alesina and Weder, 2002; Hanlon, 2004).

4.2.4 Combined Donor efforts

Donors, as observed above, have worked independently in different areas of reform, but coordination is considered vital in anticorruption reform (Doig et al., 2006).¹⁷⁹ In Ghana, the Multi-Donor Budgetary Support (MDBS) provides a platform for such collective action. MDBS was set up in 2003 as an arrangement combining bilateral and multi-lateral donor support for direct contribution to government's budget. The key benefit of MDBS is the pooling of donor

¹⁷⁵ The Freedom of Information Bill is discussed under the media section of this chapter.

¹⁷⁶ The MCA is a fund dedicated to combating global poverty. To this effect, the Account provides assistance to developing countries with the objective of increasing economic growth.

¹⁷⁷ Structured interview with Ted Lawrence, Governance and Democracy Officer at the United States for International Development (Ghana) country office, Accra. 26 January 2006.

¹⁷⁸ Ibid.

¹⁷⁹ It is difficult to estimate how much money has been provided by donors for anticorruption efforts. Explanations ranging from difficulty in quantifying training costs together with anticorruption being part of the wider good governance budgets were among the reasons given by donors. Some donors, however, were hesitant to reveal the good governance figures.

support for spending on poverty-reduction 'initiatives' of Ghana's government (ODI, 2007).¹⁸⁰ This is consistent with the new language of 'partnership' used in international aid that points to more local input. Fund disbursements are directly linked to progress on an agreed set of targets that includes reforms in governance and public finance. Most of the donor country representatives interviewed in Ghana indicated that the MDBS also served as a forum for anticorruption discussions with government.

However, there is little evidence pointing to the anticorruption effectiveness of this 'harmonized conditionality'. On governance and accountability, a recent review notes that the MDBS has been supportive but rates overall donor leverage using this approach as only marginal (ODI, 2007). Notwithstanding, key reforms measures have also stalled. The UK, Ghana's largest bilateral donor, admits limited progress in MDBS performance areas such as managing fiscal risks and public financial management (DFID, 2006).¹⁸¹ It is instructive to note that external funds directed through central government have also been a source of corruption. As an example, the SFO in 1999 uncovered widespread embezzlement in a United Nations Development Programme (UNDP) sponsored Poverty Alleviation fund in the Afram Plains district.¹⁸² A substantial portion of the programme's \$1.4 billion had been embezzled by departmental heads (*The Ghanaian Chronicle*, 13 October 1999). Additionally, steady misappropriation of government budgeted funds across frontline ministries and departments does not inspire much confidence in the use of MDBS.

Globally, donors have also combined to set international rules for corruption prevention. This has been led mostly by the major Western donors. One such measure concerns the rules tackling an important supply-side of corruption – the role played by big business. In this area, the United States was the first Western country to make as an offence, the bribery of foreign public officials by US companies operating overseas. This was through the Foreign Corrupt Practices Act passed in 1977. The Organization for Economic Cooperation and Development (OECD) countries followed suit with a Convention on Combating Bribery of Foreign Public Official in International Business Transactions that was ratified in 1999.¹⁸³ These agreements are significant. Companies based in the OECD countries have, on various occasions, bribed foreign

¹⁸⁰ MDBS is estimated to provide about 10 percent of the government budget with a total disbursement of US\$309 million in 2004 (DFID, 2006). In 2007, there were 10 donors involved. The multi-lateral donors comprise the African Development Bank, European Union, and the World Bank. The bilateral donors are made up of Canada, Denmark, France, Germany, the Netherlands, Switzerland and the United Kingdom. Even though Japan, the United States and United Nations are not part of MDBS, they attend meetings as observers.

¹⁸¹ About half of the UK's £70 million support, goes directly into budget support.

¹⁸² The Afram Plains was one of eight districts executing the programme on a pilot basis. The aim of the programme was to reduce abject poverty through capacity building, skills training and social development.

¹⁸³ The parties to the convention are currently 37 in total. This includes all 30 OECD countries and 7 non-OECD countries- Argentina, Brazil, Bulgaria, Chile, Estonia, Slovenia and South Africa.

public officials to secure contracts. In Germany and France, for example, bribes paid by companies overseas were even granted a tax deduction as "business expenses" (Brademas and Fritz 1998:17). The OECD convention recommended an end to this arrangement. Further, it was suggested that signatories pass national legislation which makes such incidents a criminal offence attracting penalties ranging from heavy fines to prison sentences. Overall, these supply-side measures serve as a useful complement to the anticorruption efforts, already supported by donors, which have extensively focused on the demand-side.¹⁸⁴

4.3 China's 'non-interference' conundrum: An emerging constraint on anticorruption

The key leverage used by donors in anticorruption is the provision of aid. However, there is a growing body of evidence indicating China's relationship with Africa has the potential to weaken the influence of aid-driven anticorruption efforts. China is providing Africa with donor support that comes without the good governance proviso – the standard practice with Western aid. This is due to China's policy of 'non-interference' in the internal affairs of another country and also, the 'no-strings' approach in conducting business (Alden, 2007; French, 2007; Hilsum, 2008; McCormick, 2008).¹⁸⁵ Over the last few years, China has repeatedly demonstrated its desire to forge a closer relationship with Africa. At an African summit hosted by China in 2006, Beijing pledged US\$5 billion in concessional loans and credits to Africa by 2009; debt cancellation was also promised to 33 countries (Broadman, 2008). Trade has equally soared. By one estimate, the value of China's trade with Africa was about \$3 billion in 1995; by 2005, this is noted to have sharply increased to about \$32 billion (*The Economist*, 26 October 2006). Although China's energy demands (oil) accounts for much of the increase, trade has extended to other areas in the quest to find a market for Chinese products.

Angola provides the classic example in support of China's impact on anticorruption efforts. In the quest for donor-funds for post-war rebuilding, conditionalities appear to have caused an impasse in negotiations between Angola and the IMF. In 2004, the IMF, cautious of corruption in Angola's government, demanded the inclusion of anticorruption measures in a proposed \$2 billion loan (Taylor, 2006). A donor conference on Angola was also made contingent on Angola's agreement with the IMF. China entered the scene and made the Angolan government a "counter-offer" for the same amount; the deal did not include any of the IMF's conditionalities (Taylor 2006:947).

¹⁸⁴ The United Nations (UN) Convention Against Corruption is another global anticorruption agreement. This Convention includes measures on prevention and asset recovery. It was ratified by the UN General Assembly Resolution 584 in March 2003. Ghana is a signatory to this UN convention.

¹⁸⁵ Hilsum (2008) argues that China's non-interference doctrine applies regardless of how venal or corrupt a government may be. However, it is worth noting that a condition which appears to be paramount in China's 'friendship' is the endorsement of the 'one-China policy', particularly, in relation to Taiwanese recognition; most African countries already support this (*The Economist*, 26 October 2006). McCormick (2008:73) also adds that "Chinese monetary aid is tied to the use of Chinese goods and services".

Repayment terms were equally flexible, but this was tied to the Angola's supply of crude oil to China and the award of construction contracts.¹⁸⁶ Angola's government halted negotiations with the IMF and cheerfully accepted the Chinese offer. As aptly summed up by Alden (2007:68), for Angola, China provides "a key source of financial independence from the pressure applied by the IMF to meet standards of accountability". For governments keen to avoid what they consider to be the invasive behaviour of Western donors, this makes for good business.¹⁸⁷

Ghana's current relationship with China is not comparable to Angola's. What remains a matter of concern is twofold: the increasing availability of alternative sources of funding without good governance requirements and the award of contracts to/ procurement from China with no evidence of tenders. Ghana, in recent years, has been courted by the Chinese. The flurry of senior Chinese officials on 'official friendly visits' to Ghana usually bearing 'gifts' in the form of aid (grants and soft loans) underscores this point. In 2005, for example, Ghana received an interest free loan of about \$22 billion from China when a Minister at the Chinese Foreign Ministry visited the country (Chinese Embassy in Ghana, 7 September 2005). In 2007 Jia Qinglin, the Chairman (Speaker) of the Chinese People's Political Consultative Conference (CPPCC), also made a stopover in Accra and the sweeteners that accompanied this visit were significant. During Jia's visit, it was announced that Ghana's National Theatre had become a 'gift' from the Chinese government.¹⁸⁸ China had earlier provided a grant of US\$2 million for rehabilitation of this theatre (Chinese Embassy in Ghana, 2 May 2007). Similar offerings have been made across Africa and *The Economist* argues that such largesse often serves an entry ticket for China (*The Economist*, 26 October 2006).

It may not be entirely coincidental that Chinese state corporations have been awarded major contracts for which the tender process has been bypassed.¹⁸⁹ Examples include contracts to rehabilitate the Accra-Kumasi railway line and the building of three stadiums for the African Cup of Nations, which Ghana hosted in 2008 (*Africa Confidential*, 2005a). Other major projects also carried out by Chinese state firms include the Bui Dam construction. In early 2008, Ghana's government also announced that it was buying fighter jets from China for Ghana's Armed Forces; there were no indications of tenders in this case either. Ghana's recent discovery of oil has the potential of making the relationship cosier, given the Chinese record in other oil-

¹⁸⁶ *The Economist*, 26 October 2006 notes Angola has overtaken Saudi Arabia as China's single largest supplier of oil.

¹⁸⁷ China has also become the ideal ally and source of development assistance for countries such as Sudan and Zimbabwe that have been ostracised by the West (Alden, 2007). In the case of Sudan, Chinese firms are estimated to have invested about US\$15 billion in that country since 1996 (Alden, 2007; *The Economist*, 15 March 2008).

¹⁸⁸ The theatre 'gift' was in the form of debt cancellation that was related to construction costs dating back to the 1990s.

¹⁸⁹ The value of Chinese exports to Ghana totalled US\$673 million in 2005 (Chinese Ministry of Foreign Affairs, 10 October 2006).

producing African countries. Overall, the lack of political will to enforce anticorruption measures, even when contained in conditionalities, portrays China's 'non-interference' approach as an uncomplicated offer. As observed above, this strategy could undermine donor anticorruption efforts.

4.4 The media in anticorruption reform: Triumphs and tribulations

Those who support any effort to make democracy and free press thrive in this country will find in us willing allies, while those whose actions and pronouncement tend to set the clock back for press freedom will find in us uncompromising enemies.

Kabral Blay-Amihere
President of the Ghana Journalists Association (1992-96)
The Statesman, 14 February 1993.

4.4.1 Background

The media in Ghana have a long history of demanding government accountability. Such actions have often led to an acrimonious relationship between the press and government. Still, the watchdog role of the press, in terms of government accountability, has been largely taken up by the private owned media. This is because for an extensive period, the government in Ghana exercised a near monopoly over the media and effectively manipulated the state-owned press as a propaganda tool. Sections of the private press, which attempted to engage in accountability, intermittently came under censorship, encountered intimidation or were restrained by licensing laws.

The crucial role played by the media in anticorruption is widely recognized (World Bank, 1997b; Sedigh and Ruzindana, 1999; Stapenhurst, 2000; Brunetti and Weder, 2003). For the press to be an effective anticorruption watchdog, independence remains essential. Independence, which has been interpreted as 'press freedom' is further argued to be correlated with corruption (Langseth et al., 1999; Brunetti and Weder, 2003).¹⁹⁰ Brunetti and Weder (2003:1802) go further to provide cross-country empirical evidence that points to a strong negative relationship between corruption and a free press; this suggests press freedom is associated with less corruption. Similarly, media ownership is also claimed as a key factor in determining independence (World Bank, 2002).

Today, the media in Ghana plays an active role in the anticorruption agenda. This owes much to the elaborate guarantees of press freedom in chapter 12 of the 1992 Fourth Republic Constitution. The Constitution prohibits censorship, harassment and interference by government; it also removed the licensing laws previously imposed on the press. As a direct result of the constitutional provisions, deregulation of the airwaves was achieved in the mid 1990s ending

¹⁹⁰ A free press is defined by Brunetti and Weder (2003) as having the core features of free entry into journalism and publishing.

decades of government monopoly over radio and television broadcasting. However, there exists a clear distinction between the approach of state-owned and the private media when it comes to government accountability. The state-owned media rarely initiate anticorruption investigative work involving incumbents. The few reports carried by them in this field replicate news items reported elsewhere or restate information published in the Auditor-General's reports. Government influence appears to be a factor. The private media, on the other hand, have been instrumental in the area of anticorruption despite serious flaws. Some have thrived on publishing sensational and speculative corruption allegations involving incumbent government officials. This, among other factors, has affected relations with government. For example, the NDC, during its time in office, had a testy relationship with the media. The NPP, on the other hand has enjoyed relatively warm contacts with the press.

In spite of all the significant legal steps, journalists face formidable challenges. Firstly, years of censorship have resulted in a paucity of skills in terms of investigative journalism. Secondly, libel charges have become a major scourge for some in the press who have pursued corruption allegations. Thirdly, legal hurdles have been used to prevent access to official information. Lastly, unethical practices by journalists together with a high degree of politicization, raises concerns about the credibility of some in the private press.

The sections which follow examine the anticorruption role of the media in Ghana's Fourth Republic. Although an assessment is carried out of how the media as a whole - radio, television and newspapers - have fulfilled this function, the evidence discussed heavily focuses on the print media. The reason for this is that newspapers have mostly pursued the investigative cases on corruption in Ghana. The anticorruption analysis here separates the state-owned media apparatus from those of the private press in order to identify the possible influence of state-ownership. Overall, the framework used takes into account the coverage on corruption by employing case studies to provide relevant evidence. Importantly, the legal parameters within which the press operates are highlighted. Lastly, the limitations of Ghana's media in relation to anticorruption are also evaluated.

4.4.2 The state-owned media

Ghana's state-owned media machinery, despite deregulation, occupies a dominant position. The Ghana Broadcasting Corporation (GBC), which runs *Ghana Television (GTV)* and *Ghana Radio 1* and *2*, has the enviable position of being the only broadcaster with national radio coverage.¹⁹¹ The late entry of private radio into this industry, due to a long period of government monopoly,

¹⁹¹ *Radio 1* broadcasts alternate between Ghana's local languages, while *Radio 2* transmits in English.

partly explains the state dominance here. In terms of the print media, the state owns four newspapers - the *Daily Graphic* and the *Ghanaian Times* (dailies), as well as *The Mirror* and *Weekly Spectator* (weeklies). The circulation numbers of the *Graphic* and *Times*, estimated at 200,000 and 150,000 respectively, far outweighs those of the private newspapers due to established distribution networks (Hasty, undated). The Ghana News Agency (GNA), a wire service, completes the state media structure. The GNA has an elaborate network within Ghana which covers rural areas thus giving it an unrivalled national coverage.

Most of Ghana's post-independence leaders share a striking similarity in how they have manipulated all sections of the state-owned media. Ghana's first leader, Kwame Nkrumah, consolidated his grip on the state press through coercion, firing editors and replacing them with pliable successors. The military regime of the National Liberation Council (NLC), which deposed Nkrumah, was equally intolerant to dissent by the state press. The NLC sacked four state editors for their critique of the regime's divestiture plans. Kofi Busia, Prime Minister of the Second Republic, is also noted to have exerted controls over the press. For example, a *Daily Graphic* editor was said to have been dismissed for criticizing Busia's policy on apartheid South Africa, which stressed dialogue (Asante, 1996). Rawlings likewise tinkered with the state media on taking office both in 1979, under the Armed Forces Revolution Council (AFRC) and from 1981, during the tenure of the Provisional National Defence Council's (PNDC).

The Fourth Republican Constitution attempts to halt the undue influence of government on the state-owned media. This is through the institution of an independent National Media Commission (NMC) which acts as a regulator.¹⁹² Generally, the NMC is granted powers to uphold the independence of the press and journalistic standards in the entire media industry. But a core function, as specified in the Constitution, is to prevent government interference in the state-owned media. Along these lines, the Commission is granted powers relating to appointment of governing bodies which manage the state-owned media. However, it exercises these powers in consultation with the President.¹⁹³ The evidence suggests that the NMC has struggled to fulfil its role and this was notable during the NDC administration. For example, Rawlings is reported to have single-handedly appointed heads of the state-owned media (Ampaw, 1997). Rawlings, therefore, exercised considerable influence during his tenure as President. Further, the NMC also failed to address the imbalance in terms of coverage by the state-media, which was skewed

¹⁹² The 15-member Commission consists of representatives drawn from various groups such as the Ghana Bar Association (GBA), the Ghana Journalists Association (GJA) and Religious Bodies. The Trades Union Congress (TUC) and government are also represented.

¹⁹³ The governing bodies of the state-media appoint their respective editors.

in favour of incumbents. Dissemination of Rawlings' populist propaganda, from the PNDC era, thus persisted during NDC rule (Hasty, 2006).

The state media have mostly remained a mouthpiece for the government and avoid pursuing corruption cases against incumbent officials. For a clear picture on how accountability has been tackled it is useful to assess, separately, the media under the Rawlings NDC administration from the NPP government. Under the NDC, GBC broadcasts, for example, were always well-tuned to government influence. Holding government accountable was a tricky task for the broadcaster even when that was indirectly through coverage for the opposition. A debate on the first budget of the NDC administration in 1993 provides a practical example. The opposition had been scathing about the budget and attempted to hold the government accountable for some of its policies through a public debate.¹⁹⁴ GBC-TV (as GTV was then known) was invited to cover the debate, held on 9 February 1993, but failed to turn up. When the NPP sought an explanation, the broadcaster's officials indicated they had been "instructed" not to provide coverage of the event (*The Statesman*, 21 February 1993). Another attempt by the opposition NPP to provide a critique on the budget appeared successful at the outset. It managed to get Kofi Apraku, the Party's economic spokesman, as a panellist on *Talking Point* - a current affairs programme telecast live on GBC. Yet whilst on air, the programme was unexpectedly cut short; a musical programme was then broadcast in its place. Alex Ofori, a senior official of the Information Ministry, only explained the *Talking Point* episode by cryptically likening freedom of the press to football stating that both were "guided by rules" (*The Statesman*, 14 February 1993). Rumours that direct orders had come from the Castle (seat of government) to pull the programme gained more currency with this official line.

Again, during NDC rule, the state-owned newspapers were not different. Christian Aggrey, a long serving editor of the *Ghanaian Times*, was best known for turning the paper into a bulletin for the NDC. The opposition were mostly held in condemnation by the paper and the *Times* thus served as a good barometer on the views of the Rawlings government. The *Daily Graphic*, on the other hand, maintained a relatively lower propaganda tone. But the fact that Elvis Aryeh, whilst editor of the *Graphic*, had also served as Rawlings' press secretary in the early 1990s did not inspire much confidence. The state newspapers generally did not initiate any investigation into incumbent malpractices. Coverage on corruption consistently focused on civil service officials engaged, for example, in payroll fraud or other forms of embezzlement cited by the Auditor-General. Overall, the sycophantic nature of coverage by the state press emphasized the development record rhetoric of the NDC with incumbent accountability hardly covered.

¹⁹⁴ Among others, the NPP argued that the budget did little to help the poor.

Under the NPP administration, there were signs of change in the state press. In 2001, the state-owned *Daily Graphic* broke ranks and published a corruption-related story involving an incumbent official within the NPP. Jake Obetsebi-Lamprey, then President Kufuor's Chief of Staff, was alleged to have awarded himself a contract worth ₵1.9 billion for the renovation of the Castle. Two things are worth noting here. Firstly, this was not an original investigative piece that the *Graphic* had carried out. Rather, it simply published a news item sourced from the GNA which quoted Alban Bagbin, the NDC Minority Leader. Bagbin had alleged that Obetsebi-Lamprey, who was also Minister for Presidential Affairs, had used an unregistered company to obtain the Castle renovation contract (Sarpong, 2001). This was unprecedented, as the state press hardly reported corruption allegations involving such senior incumbents. The second point, however, reveals possible explanations of motive. Aryeh, the one-time Rawlings spokesman, was still the *Graphic* editor at the time of the contract saga. This raised suspicions of mischief. But, as with most cases of official corruption in Ghana, rumours on the supposed deal accompanied by variants of anecdotal evidence were rife. Obetsebi-Lamprey reacted by threatening to institute libel action against the *Graphic* and GNA (CDD, 2001). In what seemed to be a swift climb-down, the two institutions retracted the story and offered an apology. It is unclear if there was any government influence.

On the other hand, it may not be entirely cynical to suggest that sections of the state media were used to silence critics of government corruption during NPP rule. The case of maverick NPP Member of Parliament (MP), Paul Collins Appiah-Ofori, perhaps, best demonstrates this point. Appiah-Ofori has cultivated a legacy of demanding government accountability. On one occasion, the MP even made a candid request to former President Kufuor to withdraw the ministerial nomination of Isaac Edumadze (a fellow NPP colleague) due to abuse of office. Relieving Appiah-Ofori of the chairmanship of two parliamentary committees, as noted in chapter 5, appears not to have had much of an impact on his outspoken disposition. On 15 September 2007, the *Daily Graphic* curiously published what it termed to be an "exclusive". The article was essentially an account of a marital dispute involving Appiah-Ofori. Yet this story, which occupied the entire front page, was clearly inconsistent with the editorial leaning of the *Graphic* and was more attributable to a tabloid.

The article centred on accusations of bigamy and facilitating abortion, accompanied by salacious details. Rebecca Appiah-Ofori, the estranged wife of the MP, was alleged by the paper to have been the source of these allegations. The MP's supporters may have dismissed the first charge, but the latter remains frowned upon in Ghanaian society which is religiously conservative. All the

same, this tale appeared to some as a conspiracy to undermine the credibility of a man who had increasingly become a liability to the ruling party. The MP swiftly went on *Joy FM*, an Accra-based radio station, to address the accusations. Whilst admitting to the fact that he was living with another woman, he denied being legally married to her. He also addressed the circumstances which compelled the abortion. In all, the anticorruption stalwart provided a convincing rebuttal but the knives were still out. *The Statesman*, a private newspaper closely affiliated with the NPP, followed-up the *Graphic* storyline a few days later with additional accusations. The allegations here provided instructive details on how the MP failed to give his estranged wife “chop money” and was also a “wife beater” (*The Statesman*, 18 September 2007). The underlying issue appears to have been that he was not the man of integrity and accountability he was portrayed to be.¹⁹⁵ Altogether, this *Graphic* initiated story raised suspicions of political influence in the state-press. Appiah-Ofori weathered the media storm and continued with his drive for government accountability.

In October 2007, the GBC ventured into the anticorruption arena. This was in the form of telecasting proceedings of the Public Accounts Committee (PAC). However, the abrupt termination of coverage provoked accusations of NPP control. Indeed, the PAC proceedings made for uncomfortable viewing. This was due the revelations about exciting details of embezzlement, which had occurred on the NPP’s watch, coupled with the hard-hitting grilling of senior officials. With the opposition NDC chairing PAC, this also created an opportunity for political grandstanding. GBC pointed to financial difficulties, stating that the 10-day coverage was going to cost about ₵1 billion. Alban Bagbin, the NDC leader in Parliament, insisted the government had directed the state media to stop the broadcast. GBC’s move backfired, as there was a huge public outcry and CSOs also added their voice to the public protest. This was possibly due to the curiosity earlier telecasts had generated. GBC conceded and resumed coverage towards the end of the PAC sittings.

Overall, the anticorruption role of the state-media has been limited. The evidence tends to suggest that the high hopes of the NMC drawing a line under the sorry chapter of government influence may not have fully materialised. As a result, the state-owned media appears amenable to government control. Hasty (2006:72) provides a succinct analogy of the state press in their coverage of government officials by likening them to linguists of Akan chiefs who, simply, repeat and make “proclamations public and official”.

¹⁹⁵ It is worth noting that, although *The Statesman* reported its story was based on an interview with a son of the MP, the paper failed to provide the name of the source.

4.4.3 Private owned media

The private press in Ghana have endured intermittent periods of government repression. This dates back to the first post-independence government under Nkrumah where a varying degree of private press censorship occurred. Prior to the Fourth Republic, private newspapers such as the *Catholic Standard* and the *Ghanaian Voice* had been banned by the PNDC government (Blay-Amihere 1987).¹⁹⁶ The PNDC also passed the Newspaper Licensing Law, 1989 (PNDC Law 211) to further tighten control of the press. Specifically, Law 211 withdrew the registration of all existing newsprint. Permits had to be obtained from the PNDC Secretary (Minister) for Information, before publishing any newspaper. Even then, the PNDC information chief had powers to revoke or suspend a license if a publication was deemed unfit. In general, a regime of strict regulations, clampdown and harassment of journalists characterized the relationship between the PNDC and the private press. The guarantee of press freedom under the 1992 Constitution removed PNDC Law 211 from the statute books.

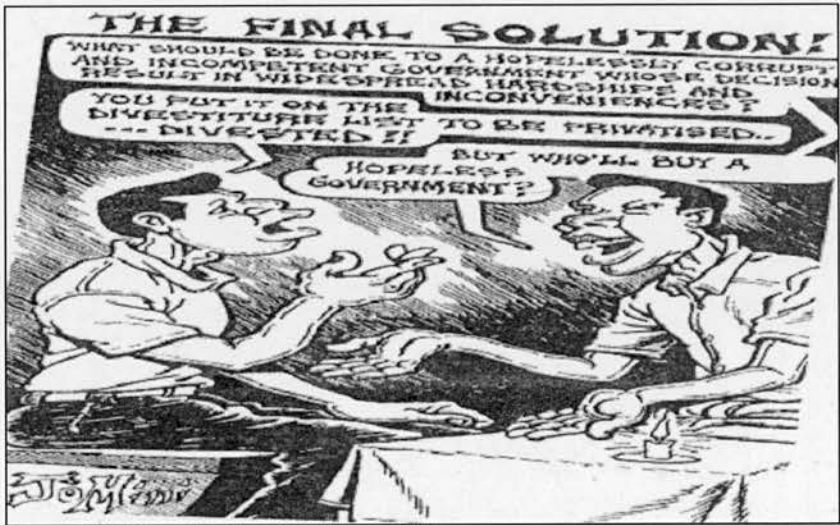
Over the course of the Fourth Republic, the private media have utilized the legal backing for press freedom. This, to an extent, is captured in the bold uncompromising tone of the Journalists Association President, as noted in the introductory quote above. In fact, the constitutional guarantees have also led to a huge growth across all sections of the media. In radio for example, over 70 privately owned stations currently exist across the country, while at the start of the Fourth Republic, in 1993, there were none. In the area of governance, phone-in radio programmes have gained popularity, engaging listeners to air their opinions on government policy. Some stations, such as the Accra-based *Joy FM*, have also demonstrated a knack for refined political debate. Yet mediocrity, limited analysis and the lack of knowledge characterizes sections of private radio (Yankah, 2002). Given its ability to reach a wider section of the population, in both the rural and urban areas, radio has untapped potential. This is particularly the case with respect to engaging the public in anticorruption. Evidence provided by Mytton (2000:33) indicates that, as of 1995, 67 percent of Ghana's population owned radio sets. Recent census figures also suggest 45.9 percent of Ghanaians are not literate (GSS, 2002); thus the increasing number of stations - broadcasting in local languages - stand to make a valuable contribution as all major Ghanaian newspapers are published in English. Altogether, costs partly explains radio's limited role in investigative journalism. Private television shares similarities with

¹⁹⁶ Nugent (1995:143) suggests that a string of editorials in the *Catholic Standard* ridiculing the PNDC's supposed search for "true democracy", under the auspices of the National Commission for Democracy (NCD), precipitated this ban. Agyeman-Duah (1987) also notes that radicals within the regime accused the Church of being by an 'agent of imperialism' and in 1982, the government was said to have even denied the *Catholic Standard* import licence for newsprint. This led to the paper ceasing publication for a temporary period.

radio. The three television stations established since deregulation have equally not made significant contributions to the anticorruption agenda.

The media's watchdog task has largely been taken up by the private newspapers. In fact, this section of the media has demonstrated a mounting preoccupation with top-level corruption, and the removal of press restrictions has been interpreted as an open goal.¹⁹⁷ Besides investigative journalism, the private press have projected corruption in the public realm through various approaches. Some newspapers skilfully cite Biblical quotations, which deplore dishonesty, in small but well-placed banners alongside allegations of corruption. For example, when *The Ghanaian Chronicle* on 24 February 1997 published allegations of bribery involving an NDC Minister, the paper had a quote from the Bible's *Book of Proverbs* 23:8 across the bottom of the page; the verse noted "do not accept a bribe, for a bribe blinds those who see and twists the words of righteous". This approach seems to be a direct appeal for the sympathy of religious Ghanaians. Also, as illustrated in figure 4.1 below, the private press have shrewdly used cartoons to send out the anticorruption message. During the Rawlings era, this often entailed mocking the NDC administration's economic record.

Figure 4.1 Newspaper sketch lampooning the NDC's economic record and corruption



Source: *The Ghanaian Chronicle*, 5 June 1998

As detailed earlier, newspapers have been instrumental in uncovering major cases involving abuse of office since 1992. In chapter 3, it was noted that the private press' investigations resulted in the first high-profile casualty of the NPP's zero tolerance for corruption policy - Sports Minister Mallam Issa. Chapter 3 also argued that it was the private media which uncovered the

¹⁹⁷ There are approximately 35 privately published newspapers in Ghana today; this excludes lotto publications.

malpractices that led to the CHRAJ investigations of four senior officials within the Rawlings government. NPP Minister Richard Anane's troubles, examined in chapter 6, were likewise prompted by a private newspaper. These cases highlight the print media's anticorruption contributions. However, to better understand the private media's overall role in anticorruption, it is useful to also assess, separately, their functions under the NDC and the NPP administrations.

Under the NDC administration, *The Ghanaian Chronicle* and *Free Press* demonstrated a big appetite for corruption scandals.¹⁹⁸ This led to an intense media focus on NDC Ministers who were least rumoured to have abused office.¹⁹⁹ Stories were simply published with overcooked, but, spicy details. Most allegations, though argued as in the pursuit of investigative journalism, to some extent had other motivations. This was firmly rooted in the poisonous relationship that had developed between the private press and Rawlings dating back to the suppression of this section of the media under the PNDC. The ramifications were the concerted attempts at pursuing NDC related corruption. Unaccustomed to such scrutiny, the NDC administration at times responded to corruption allegations with heavy handedness. Having lost the use of PNDC law 211, the NDC outwitted the press and resorted to using a remnant of colonial regulations - the Seditious and Criminal Libel Law - which remained on the statute books as another measure to contain the press.²⁰⁰ The said regulations were buried deep in Ghana's Criminal Code, 1960 (Act 29), mostly under sections 183 and 183A. Falsely accusing a public officer of misconduct in exercise of their duties was taken to be seditious. Publications judged to have the 'intention' of bringing the government into hatred and contempt, together with defamation of the President, were further criminalised under this law. Penalties were draconian and included a prison term and/or a fine. Critics repeatedly argued that the provisions were inconsistent with the guarantees of a free press in the 1992 Constitution. The NDC dismissed these claims.

At the least opportunity, the NDC jumped to prosecute journalists under the criminal libel laws, particularly when scurrilous corruption allegations were involved. Bright Blewu, General Secretary of the Ghana Journalists Association (GJA), explained that the Attorney-General in Rawlings' government selectively applied the law by picking on some private newspaper

¹⁹⁸ Prior to its resurgence in the early 1990s, the *Free Press* had been forced to close down in 1983 due to recurring harassment by the PNDC regime (Nugent, 1995). The circulation numbers for sections of the private press has been estimated as follows - *The Ghanaian Chronicle*: 40,000; *Independent*: 35,000; and *Free Press*: 70,000 (Maja-Pierce as quoted in Hasty, undated). These figures may be outdated as the *Free Press*, which built much of its reputation on an anti-Rawlings stance, is no longer an influential paper.

¹⁹⁹ Sharfstein (1994) adds that an underlining factor for the negative press coverage was the deep-hatred for the Rawlings regime, which was perceived then as tyrannical by the private press.

²⁰⁰ The criminal defamation laws were instituted by the British colonial authorities to contain "nationalist dissent in the media" (IPI, 2001).

journalists.²⁰¹ Perhaps, this was to underline the point that some of the NDC's fiercest critics in the private media - the *Free Press* and *Chronicle* - had their editors put in the dock under the criminal libel laws. Government Ministers, accused of corruption, resorted to libel proceedings which were initiated as a means of stalling further revelations of corruption by the private press (Hasty, 2005a).²⁰² The next step was said to be an out-of-court settlement prompted by the plaintiffs. This was usually after delays which could run into months, given Ghana's creaky legal system. In general, among politicians accused of corruption, libel soon became contagious, if not an epidemic.²⁰³ Since 1991 hundred of such libel suits have been filed against the private press (Hasty, 2005a). But it is important to note that some cases have been pursued and gone on full trial. The case below provides a useful example.

The Ghanaian Chronicle issue of 24 February 1997, published claims that Edward Salia, then NDC Minister for Transport and Communications, was involved in a bribery scandal. The *Chronicle* also reprinted, on its front page, a copy of supposed evidence (an intercepted memorandum) to back up the allegations. The memorandum was from Tom Tipple, Managing Director of Millicom Ghana Limited (MGL) - then a leading mobile phone service provider in Ghana - to Bryan Pearson, the head of MGL's parent company in Luxembourg. This note, dating back to August 1996, suggested Salia had asked MGL about acquiring a small investment in the company. Tipple hinted in the memo that Salia's involvement may help "secure our [MGL] position in the country and gives us a powerful lobby with other Ministries and the Castle [seat of government] if required" (*The Ghanaian Chronicle*, 24 February 1997). The communication, which was on a Millicom letterhead, also suggested that a 'contribution' of £25,000 be made towards Salia's re-election as a Member of Parliament.

The *Chronicle* interviewed Salia for his side of the story and published segments of the transcript. Salia's answers on aspects of his relations with MGL were, at best, obscure. What remained clear was that Salia denied receiving or demanding anything from MGL. Nonetheless, there were indications that MGL had developed a close acquaintance with the Minister. This was underlined, not least, by the reference to Salia as 'uncle Edward' in the memo. Yet proof of money changing hands was not provided. The *Chronicle* had done its homework but the evidence, as it appeared, was mostly based on the leaked communication. No official investigations were undertaken. Such inaction, as observed in earlier chapters, was not new. Salia sued *Chronicle* for libel. In June 1999, a court ruling adjudged the Minister had suffered

²⁰¹ Unstructured interview with Bright Blewu, General Secretary of the Ghana Journalists Association at the Ghana International Press Centre, Accra. 26 January 2006.

²⁰² Once a case was in court, no further revelations could be made as journalists could then be cited for contempt.

²⁰³ Although libel was a favoured technique of the NDC hierarchy, the practice continued during NPP rule.

damages to his reputation. Salia was thus awarded approximately ₵42 million (equivalent to about US\$17,500) in damages and costs; this award was then the highest in Ghana's history (Mansaray, 1999). In contrast to other press allegations that are largely based on anecdotal evidence, the *Chronicle's* procedure here was encouraging. It had provided some proof (though insufficient) and diligently attempted to get the Minister's side of the account. Maybe an enquiry by one of the public anticorruption institutions would have provided a different outcome.

Turning next to the NPP, it may be argued that the Kufuor government's relationship with the media was relatively warm, in sharp contrast to that of the Rawlings administration. This has roots in the NPP's time in opposition. The boycott of parliamentary elections in 1992 left the opposition parties without representation in Parliament up until 1997. As a result, the opposition parties, including the NPP, used sections of the private media as a platform to air their views. Some newspapers effectively became proxies for the opposition. The private press loathed the NDC, just as the opposition did, and this became a mutual ground for a convenient alliance. In some of the numerous libel proceedings instituted by the NDC government, against the private press, senior NPP politicians led the newspapers' defence teams. Actions such as these further blurred the line between the press and the opposition.

On taking office in 2001, the NPP introduced a raft of measures beneficial to the private press. Firstly, in fulfilment of an election promise, the criminal libel laws were repealed. Secondly, President Kufuor donated a government building to house the Ghana Journalists Association (GJA). Lastly, Kufuor employed the patronage tool - key journalists were offered appointments. These included Kabral Blay-Amihere, a former president of the GJA and publisher of the *Independent*, being appointed as Ghana's envoy to Sierra Leone. Haruna Atta, publisher of the *Accra Mail*, was also awarded board membership of the Tema Oil Refinery (CDD, 2001). These actions underscored the warm relations between the NPP and the private press. This relationship also helped dampen the intensity of corruption investigations against the NPP in comparison to the NDC.²⁰⁴

But, when a steady stream of corruption allegations against NPP ministers emerged in the press, Kufuor jumped to their defence. The President repeatedly stressed to those in the media who accused him of inaction that allegations of corruption within his administration were simply based on perception. Thus, Kufuor issued the press a challenge to provide evidence substantiating allegations before investigations could be initiated. Governance experts were left

²⁰⁴ The NPP's media friendly policies also included the accreditation of private journalists to the seat of government. The Rawlings NDC regime sidelined them from official government functions during its tenure.

frustrated by this move and maintained that the burden of proof should not be on media. As illustrated in figure 4.2 below, Kufuor's 'new' anticorruption guidelines led to ridicule even among the NPP affiliated press. This is partly because of what was interpreted as a flagging approach to the 'zero tolerance on corruption' policy Kufuor declared when he assumed office in 2001.

Figure 4.2 Kufuor: Allegations vs. perceptions of corruption



Source: *Weekend Crusading Guide*. 3 February 2006

It is worth pointing out that corruption allegations made by sections of the private media against NPP officials have sometimes been met with the response perfected by the NDC - the threat of libel. Even then, a selective approach appears to have been employed. An example here relates to the allegations of corruption involving Hackman Owusu-Agyeman, published in November 2004 by *Ghanaian Palaver*. The *Palaver's* allegations were varied and included claims that Owusu-Agyeman, a former Minister of Interior in Kufuor's government, had been involved in a scheme to misappropriate US\$65,000; this money was said to be remuneration intended for Ghanaian police officers on a United Nations Peacekeeping Mission in Kosovo (Adler, 2005). *The Ghanaian Chronicle* is noted to have also published similar allegations, but Owusu-Agyeman only sued the *Palaver* for libel. The selective approach could be explained by the fact that the *Ghanaian Palaver* is an NDC affiliated paper. The *Palaver*, as its editor Jojo Bruce-Quansah conceded, had jumped on the bandwagon to serialise comments noted in an NDC campaign document (GNA, 4 November 2005). This appears to have been its sole evidence. In 2005, an Accra High court ordered the *Palaver* to pay Owusu-Agyeman ₵1.5 billion in damages.

The above case reveals that, besides partisanship, a sloppy approach to investigative journalism has also been engaged by some of the private media. Recycling investigations revealed in other newspapers with no new information remains common. However, the press have also had to deal with other challenges affecting its watchdog role. The next section attempts to examine some of these issues.

4.4.4 Challenges and constraints

The first of the challenges faced by the media has been intimidation of journalists engaged in corruption related investigations, an issue that is experienced worldwide (Gyimah-Boadi, 2002 and Peters, 2003). In Ghana, particularly during the NDC era, sections of the private press which persistently published allegations of official corruption experienced such extra-judicial pressure. This included picking up journalists for 'interrogation' at Burma Camp - the Ghana Army headquarters. In fact, this was a well-known technique used to instil fear among nonconformists during the PNDC era. Kofi Coomson of *The Ghanaian Chronicle* and Kabral Blay-Amihere of *The Independent* endured this fate in 2000. Vandalism was also employed as an alternative tool and in one case the office of the *Free Press* was subjected to outlandish damage in May 1994.

The second issue impacting the media's anticorruption role relates to ethics. Strong evidence exists of the press - state-owned and private - engaging in unethical practices that potentially undermines their watchdog position. These include complicity in bribery which exists in both sourcing and reporting of information. Private media firms are known to pay government sources for information, even when the person providing it does not appear to comprehend the consequences of their actions (Hasty, 2005b). Even then, journalists taking payments from public officials appear to be widespread.²⁰⁵ Hasty (2005a and 2005b), having worked in the Ghanaian press as a participant-observer, provides evidence of cash payments to journalists.²⁰⁶ Payments from officials to journalists, concealed in envelopes, are widely referred to in Ghanaian journalists' circles as '*sol*' (the shortened form for solidarity) and appear to be an entrenched practice. The pretext for such gifts is usually to help with 'transport fares' although transportation may already be provided and the amounts involved are far in excess of the regular fares. Hasty (2005a:162) offers the explanation that "among journalists and sources, money establishes relationships of mutual secrecy and sympathy...in this economy of intimacy, identity and information". But, the deep roots for the well-established practice of 'solidarity' may also lie in the fact that Ghanaian journalists are not well paid. 'Gifts' thus serve to ameliorate some of their hardship.

The third problem relates to the quality of investigative journalism. Importantly, journalists have sometimes failed to follow-up useful revelations of corruption. For example, *The Statesman* uncovered in 1993 that customs duties on cars were being paid into a bank account that still existed in the name of the PNDC (*The Statesman*, 2 May 1993). It published evidence, including

²⁰⁵ In the Anane saga, discussed in chapter 6, some reports suggested the Minister paid off journalists who had previously uncovered the huge remittances he made to his mistress (Boateng, 2006).

²⁰⁶ Gifts in the form of dressed chickens and beer are also noted to be sweeteners given to journalists (Hasty, 2005b).

bank vouchers, to support the allegations of payment transactions into PNDC account no.48. Unfortunately, there was no follow-up as to why during the democratic era, the account was being maintained. Bright Blewu, the General Secretary of the GJA, admits the follow-up shortfalls of the press but insists the media is learning.²⁰⁷ Blewu points out that as part of steps to enhance techniques a manual on financial and economic reporting was written for journalists in 2005. Undeniably the GJA, the professional body representing journalists, has made efforts to improve training aimed at addressing some of the problems. In collaboration with donors, such as the World Bank, the GJA has organized workshops for journalists to enhance their knowledge in areas such as the budgetary process.²⁰⁸ The rationale here has been to develop understanding and effective monitoring of public finances. Constructive results are yet to be realised.

The last constraint to the media's anticorruption agenda is the thorny issue of access to official information. Hasty (2005a:147) argues that the difficulty surrounding access to official information in Ghana makes the private press "vulnerable to the more exacting standards of testimony and evidence applied in courts". Government officials are, for the most part, distrustful of private press journalists and jealously guard even mundane information. Reprisals from being quoted are one of the major reasons for this behaviour. Thus lack of access to official sources partly accounts for the media's shoddy reporting and its use of anecdotal evidence in some corruption allegations. Freedom of Information (FOI) legislation is viewed as an antidote to this issue. Besides guaranteeing the right of access to records held by government agencies, FOI laws also set the parameters on non-disclosure - in the case of information to be retained as classified. In Ghana, it has been argued that the 1992 Constitution guarantees the right to information (Prempeh, 1996; Da Rocha, 1997). Along these lines, the NPP, whilst in opposition, joined the chorus of campaigners to stress the importance of FOI. On taking office, the NPP government published draft legislation - the Right to Information Bill, 2003.²⁰⁹ Despite a tall list of exemptions, including information from the President's office and sensitive financial interests (which similar laws have), there was stalemate and the bill was not enacted by the NPP regime.

On the FOI bill, Frank Agyekum, then the NPP's governance spokesperson, explained that the dire state of information storage systems in Ghana was partly to blame for the standstill.²¹⁰

²⁰⁷ Unstructured interview with Bright Blewu, General Secretary of the Ghana Journalists Association at the Ghana International Press Centre, Accra. 26 January 2006.

²⁰⁸ The GJA has also received donor support from USAID and the United Nations Development Programme (UNDP).

²⁰⁹ The Institute of Economic Affairs (IEA), an Accra-base think-tank, is noted to have been the architect of the FOI draft (Cudjoe, 2002).

²¹⁰ Structured interview with Frank Agyekum, the NPP government's Spokesperson on Governance, at the Ministry of Information. 10 February 2006.

Agyekum carefully outlined that current conditions meant government could not fulfil requirements under the proposed legislation. As such, the spokesman maintained that government risked sanctions if it was not ready to comply with requests once the law had been passed. Although it is easy to empathize with Agyekum, he still failed to spell out the NPP government's efforts to resolve this issue. Another reason the spokesman offered, perhaps, accounts mostly for the government's foot-dragging. Agyekum conceded there were disagreements with civil society on the bill and that there was the need for more "public debate and consultations".²¹¹ As of early 2009, journalists and other stakeholders were still pressing for a speedy passage of the bill, and all indications are that the onus is now on the new NDC administration. Given that this has dragged on for about six years, wavering political will best explains the delay to the passage of the FOI legislation.

Figure 4.3 Accessing official information



Source: *The Ghanaian Chronicle*, 5 June 1998

In spite of the current state of affairs, Ghanaian newspapers have found a sarcastic way to relate their dilemma as illustrated in figure 4.3 above.

The challenges detailed above are not unique to the press in Ghana. In Uganda, where both the state-owned and the private media have been critical of government corruption, journalists have similarly encountered physical intimidation (Tangri and Mwenda, 2001). Ugandan journalists are also known to receive bribes, thus restraining their anticorruption role (Sedigh and Ruzindana,

²¹¹ Ibid.

1999). What must be emphasized is that, besides the contribution to anticorruption, the defiance and perseverance of the private media in Ghana, despite the constraints outlined, are commendable. Their successful campaign leading to the repeal of the seditious and criminal libel legislation remains a major achievement. It remains to be seen if a similar triumph can be accomplished with respect to the FOI bill which has yielded little progress since 2003.

4.5 Civil society organizations (CSOs) in the anticorruption arena: Coalitions of the willing

4.5.1 Background

CSOs are voluntary bodies consisting of civic groups which may have a shared interest. Characteristically, they operate autonomously from the state but may serve as a link between society and government. Their activities cut across different fields - religious, ethnic, business and other professional associations. Across Africa today, CSOs can be found in areas including human rights, gender and governance. Although the prevailing democratic environment in many African countries has been a factor for the growth of CSOs, it has been argued that the increase in donor funding to these groups partly accounts for their proliferation (Robinson, 1996; ECA, 2005). In Ghana, non-state actors such as the Ghana Bar Association (GBA), the Association of Recognized Professional Bodies (ARPB), the Ghana Journalists Association (GJA) and Churches have been among the prominent civic associations. At the same time, these groups have been among the ardent government critics.

The crucial role of CSOs in tackling corruption is widely accepted (Theobald, 1994; Ayittey, 2000; Johnston and Kpundeh, 2004; Lambsdorff, 2007). Kisubi (1999) and Gyimah-Boadi (2002), also point to civil society as complementing anticorruption efforts through the provision of different expertise. Brinkerhoff (2000) on the other hand emphasizes that, through influence, CSOs are crucial in forming political will against corruption. De Speville (1999) carefully outlines the fact that Hong Kong's Independent Commission Against Corruption (ICAC), widely accepted as the model anticorruption body, places huge emphasis on community relations. The ICAC rationale focuses on rallying the community through public education to become a motivating force against corruption. This is the precise function taken up by many anticorruption CSOs. Ayee (2000b) presents evidence suggesting that an overwhelming majority of Ghanaians, 89 percent, view CSOs as the force behind the promotion for transparency in government.

CSOs, in general, occupy a significant position in Ghana's political space and engage with government on several social concerns. In the course of the Fourth Republic, various advocacy and research-based groups have increasingly focused on issues of governance. The civic groups playing a vanguard role in Ghana's anticorruption process range from religious bodies to

think-tanks and organizations engaged in advocacy. The established Churches – Protestant and Catholic – have taken up the anticorruption mantle, typically acting through their respective umbrella organizations. The Christian Council of Ghana (CCG) brings together 14 Protestant denominations, while the Ghana Catholic Bishops Conference (CBC) represents Catholics.²¹² Taking an ecclesiastical approach, stern calls have been proclaimed from the pulpit to stem the tide of corruption. The intended audience has been both the faithful and government. The advocacy and research groups, on the other hand, include the Ghana Integrity Initiative (GII) which solely works on anticorruption. The Ghana Center for Democratic Development (CDD) and the Institute of Economic Affairs (IEA) have also been instrumental in developing anticorruption policy proposals. Overall, most of the above CSOs have emerged as frontline bodies which have demonstrated a determined will in the anticorruption agenda, with functions oscillating between advocacy and a watchdog role. But a key strength of these autonomous groups - both religious and advocacy based - remains the emphasis on bottom-up anticorruption strategies, particularly, that of grassroots public education.

The sections which follow will examine the role of civil society in anticorruption taking one religious organization, the CBC, and a key anticorruption lobby, the GII, as case studies. The challenges faced by these civic groups are also assessed.

4.5.2 The Church and anticorruption: The case of the Catholic Bishops Conference (CBC)

Religion plays an important role in Ghanaian society and, as the 2000 census confirms, an overwhelming majority of Ghanaians associate themselves with a religious organization. Christianity remains the predominant religion bringing together about 69 percent of Ghanaians; Islam and traditional religion account for approximately 16 and 9 percent respectively (GSS, 2002). Backed by these favourable statistics, religious leaders occupy a revered place in most Ghanaian communities. Thus Church groups, mainly, the Christian Council of Ghana (CCG) and Ghana Catholic Bishops Conference (CBC), have tremendous influence as stakeholders in society.

Ghana's history confirms that the CCG and CBC have an active record in exerting their moral authority on a range of issues. In their work, both groups have demonstrated a pattern of being consistent and resolute.²¹³ For example, Churches have voiced their disquiet during hostile

²¹² In this chapter the reference to Church will be taken to mean the established Churches belonging to the CCG and the CBC - unless otherwise stated. The Pentecostal and Charismatic Churches Council represents the various Pentecostal movements in Ghana.

²¹³ The CCG and CBC have also been engaged in election monitoring and educational workshops on socio-political and economic issues up and down the country (Yirenkyi, 2000).

periods in Ghana, starting from one-party rule under Nkrumah. During Ghana's different military administrations, the Church groups, under the aegis of the CCG and CBC, often urged a return to democratic rule. The CBC used its newspaper, the *Catholic Standard*, as a platform to articulate concerns, whilst the CCG similarly employed its paper, the *Christian Messenger*. The most audacious act of these two Church groups was the united front they held in refusing to comply with the Religious Bodies Registration Law, 1989 (PNDC Law 221)²¹⁴. On this rebellion, Gyimah-Boadi (1994:144) aptly states that there was limited scope for civic associations "to stand up to the state and get away with it", but these religious groups pulled it off; a sign, perhaps, of their important position.

Over the last decade, the Catholic Church's official body, the CBC, has repeatedly delved into the thorny subject of corruption. This is a marked departure from the mainstream Churches' previous concentration, which Nugent (1995) maintains was on constitutional affairs rather than social justice. The approaches used in anticorruption have varied. Pastoral letters to the Catholic faithful as well as communiqués issued at the end annual conferences have been a key anticorruption tool. These addresses are carefully interwoven with scripture verses that paint corruption as a social evil in the form of selfishness and greed. Yet, the central theme resonating in the messages is the call for moral uprightness, often noted as conflicting with corruption. In all, the underlying objective of the CBC doctrine remains changing attitudes to corruption through religious and public education.

In the last decade, corruption has been singled-out and discussed at length by the Catholic hierarchy. The significance with which the CBC views corruption was exceptionally demonstrated in 1997. A communiqué issued at the end of an annual meeting that year controversially, but clearly, outlined that the return to constitutional rule had "made little impact" on accountability (CBC 1999:295). A second message the CBC issued later in 1997, in the form of a pastoral letter to all Ghanaians, remains significant as it centred entirely on bribery and corruption, which were termed as 'twin evils'.²¹⁵ Careful examination of this detailed commentary evokes vast disappointment with an increasing decaying social fabric. Still, it is the intermingling of Holy Scripture with references to the prevalence, consequences and remedies of corruption that stand out. For example, this second carefully crafted pastoral letter concluded with a Biblical exhortation from the prophet John the Baptist stating "[E]xact no more than your rate... No

²¹⁴ PNDC Law 221 was passed to supposedly regulate the mushrooming of Churches some of which were engaged in malpractices. The established Churches viewed the legislation with suspicion and interpreted it as government interference.

²¹⁵ The Bishops devoted about one-third of their annual communiqué in 1998 to bribery which, again, underscores the increasing importance with which they view corruption.

extortion! Be content with your pay" (CBC 1999:304). Although the Bishops Conference has affirmed it does not want to point fingers at specific areas within society where corruption persists, it has done that. The judiciary, police, customs service and Parliament have been repeatedly cited as institutions where corruption has flourished. In line with this, there have also been direct calls to Catholics to avoid giving or taking bribes, no matter the circumstances.

Outside of the pulpit, more hands-on measures have also been employed. This has seen the CBC collaborate with advocacy groups engaged in the anticorruption agenda. For example, Charles Gabriel Palmer-Buckle, the Catholic Archbishop of Accra, serves on the board of GII - the anticorruption advocacy group. The Archbishop has also spoken extensively on corruption and is a familiar fixture at civil society governance workshops. The CBC has additionally engaged the government in dialogue on this matter behind closed doors.

Admittedly, a key challenge facing the established Church groups, like the CBC, is judging the impact of the call to moral uprightness. However, an even bigger challenge to this message can, ironically, be found within the religious circle itself. This is in the form of the growing Pentecostal/Charismatic movements and their financial prosperity theology. While Pentecostals are by no means monolithic, a common theme within prosperity theology is success – financially (material wealth), physically (health) and spiritually (Cotterell, 1993; Gifford, 2004). The failure to realise these benefits, according to Pentecostal belief, is the fault of the Christian (Gifford 2004; 2007).

Gifford (2004) provides a detailed account of Pentecostals in Ghana, a country where this movement has proliferated. The prosperity gospel's core theme, against economic hardship and poverty, is argued to find a fertile congregation in such a developing country setting (Ibid.).²¹⁶ Increasingly, these Churches have gained a large following and are gradually chipping away the congregations of the established Churches. In fact Pentecostals/Charismatic Churches, represent the largest Christian group in Ghana; approximately 24 percent of the population attest to the Pentecostal/Charismatic faith (GSS, 2002). This is in contrast to Protestants and Catholics who account for approximately 19 and 15 percent respectively (GSS, 2002). The CBC and CCG have largely operated on their long established roots and better organization as a group. Yet, with the huge following, pastors of individual but well-organized Pentecostals are steadily gaining a strong political voice that is hard to ignore.

²¹⁶ Cotterell (1993) dismisses the prosperity theology in this respect as cynical manipulation that preys on people's anxiety and materialism. Gaiya (2002:3) is more direct and explains that, in the case of Nigeria, the establishment of churches remains a "lucrative business".

On the Pentecostal issue, the Catholics have taken a swipe stating that some members of the clergy, instead of promoting morality, have "turned religion into machinery for acquisition of wealth and deceit" (CBC 2000:3). More pointedly, Palmer-Buckle argues that prosperity sermons, time and again, have done little to abate the emphasis placed on material wealth in Ghanaian society, an issue the Catholic Archbishop relates to corruption.²¹⁷ On this point, there is striking similarity between the views of Palmer-Buckle and Maulvi Wahab Adam, the Head of the Ahmadiyya Muslim Mission. Adam points to the Pentecostals for their role in "commercializing" religion. More directly, the Muslim leader stresses that their focus on material goods, instead of teachings on morality, has affected the anticorruption message.²¹⁸ Other critics cite corruption and impropriety within the Pentecostals themselves. Indeed, besides the requests for money to facilitate prayers (to secure travel permits, visas etc...) there is further confirmation that some Pentecostal Churches do not have their houses in order. The evidence includes the case outlined in chapter 3 where the SFO investigated Winners Chapel, a leading Pentecostal, for financial impropriety. What highlighted Winners' influence, as earlier argued, was that the SFO investigations were allegedly stopped by government. Suggestions that the ruling NPP feared a backlash from the faithful, as the investigations took place in an election year, were among the reasons. The key Pentecostal Churches have thus emerged as a formidable movement.

It will be misleading, nonetheless, to ignore the fact that some Pentecostals have engaged in governance issues - albeit of a different kind. When corruption has been addressed, it has taken the form of prophecies. This stands in sharp contrast to the concerted efforts employed by the mainstream Churches which are aimed towards public education. For example, McCaskie (2008:327) reports that Enoch Boateng, founder and head of Arise Ghana, a Pentecostal Church, prophesied in 2007 that God intended to "purge" Ghana's entire Parliament due to corruption. The Pentecostal leader was said to have added that the removal of corrupt politicians was a precondition that had to be fulfilled before oil (in commercial quantities) and other resources would be discovered. All the same, the general trend of Pentecostal predictions has been outside the area of corruption, focusing on other contemporary political issues. In the run-up to Ghana's 2008 general elections, Kwadwo Agyekum, a Pastor of the Kingdom of Worship Centre, headquartered on the outskirts of Accra, issued prophecies indicating the rulers of Ghana for the next two decades. Besides accurately predicting the NPP nominee for the 2008

²¹⁷ Structured interview with Charles Gabriel Palmer Buckle, (Catholic) Metropolitan Archbishop of Accra at the Holy Spirit Cathedral. 2 February 2006.

²¹⁸ Structured interview with Maulvi Wahab Adam Ameer (Head) and Missionary-in-Charge of the Ahmadiyya Muslim Mission (Ghana) at the Ahmadiyya Headquarters in Accra. 17 January 2006.

elections, Agyekum also outlined that the then ruling party was destined to hold power for precisely 24 years (*Public Agenda*, 10 December 2007). It may be easy to dismiss such statements, but the Pastor's accurate prediction in the NPP presidential nomination process, a contest that was deemed too close to call, endorsed his credibility among some Pentecostal devotees.

The more heavy-weight Charismatic Church leaders such as Nicholas Duncan-Williams of the Christian Action Faith Ministry maintain the most potent voice. It will not be an exaggeration to argue that Duncan-Williams' influence is on par with those of the established Churches. This is largely due to the huge following (including senior government members), a network of Churches extending beyond Africa to Europe and North America and a solid financial base. Even then, such leaders have employed their own brand of 'governance'. In late 2007, when President Kufuor's motorcade was involved in a road accident (he escaped unhurt), the police blamed an intoxicated motorist for driving into the presidential convoy. Yet, the Action Faith leader was quick to offer his interpretation with spiritually enlightening details. Firstly, the fiery preacher insisted that the Kufuor accident had forced him to cut short an overseas trip and return to Ghana; this was to indicate the seriousness of the crash. Secondly, a vigorous argument was put forward that there were spiritual forces lurking behind the incident and hence not to be viewed as a mere traffic mishap. Lastly, but more controversially, those involved were said to be within the President's own party, the NPP, who had waged "spiritual warfare" against Kufuor (*The Heritage*, 30 November 2007). The "spiritual arrows" were also said to be directed from the Brong Ahafo Region (*Ibid.*). Government did not offer any known response to the above revelation. Even though it may appear absurd, it is the ability to offer such clear-cut interpretation to events by the ingenious Pentecostal/Charismatic clergy which has increasingly drawn a number of followers and enhanced their positions. As such, their message of prosperity cannot be easily written off.

Short of a miracle, the mainstream Churches are well aware of the challenges they face, not least, in counteracting the mounting theology of materialism coming from the religious ranks. The huge Pentecostal following makes publicly criticizing them almost comparable to heresy. Palmer-Buckle explained that one strategy to stem the extensive focus on wealth, by these movements, is to engage and influence them through ecumenism.²¹⁹ The fruits of this exercise are yet to be realised. Undoubtedly, it will be an uphill task.

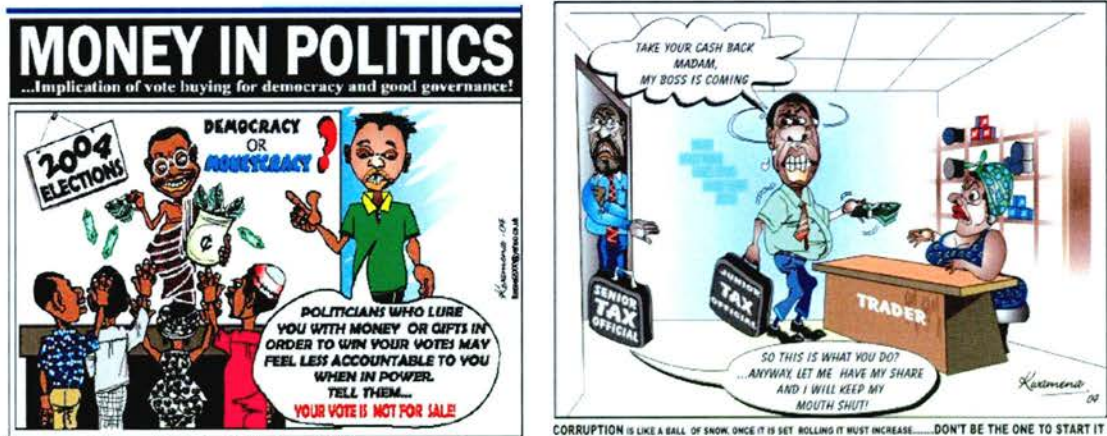
²¹⁹ Structured interview with Charles Gabriel Palmer Buckle, Metropolitan Archbishop of Accra at the Holy Spirit Cathedral. 2 February 2006.

4.5.3 Research and advocacy based groups: The case of Ghana Integrity Initiative (GII)

Research and advocacy based movements, in the area of anticorruption, have come to occupy an important position in Ghana’s political space. Survey evidence by the ECA (2005) suggests that, in Africa, Ghana has some of the most influential CSOs that work in the broad area of good governance and democracy. This section looks more closely at the role of GII, Transparency International’s Ghana chapter.²²⁰ Predominantly funded by donors, GII is focused on anticorruption and has emerged as one of Ghana’s foremost civic groups. Although it mostly pursues an active advocacy role, it has also engaged in research and capacity building exercises. With a governing board that brings together religious leaders (both Muslim and Christian), academics, journalists, opinion leaders and private business personnel, GII somewhat represents a cross-section of key stakeholders.

One primary function of GII is raising public awareness on corruption. As a result, it has pursued a range of activities some of which have been aimed at fighting apathetic attitudes towards corruption. These programmes have extended right across the country to rural areas. For example, prior to the 2006 district level elections, the GII toured various communities throughout Ghana to educate voters. The importance of not taking money offered by aspirants for District Assemblies was the key message. In the course of its work, the GII has also undertaken an extensive media and poster campaign. Samples of posters used during the 2004 general elections are illustrated in figure 4.4 below. As shown, these interweave common illicit practices into the anticorruption message whilst emphasizing the consequences.

Figure 4.4 Anticorruption posters



Source: Ghana Integrity Initiative (GII).

²²⁰ Transparency International (TI) is the leading global lobby group on anticorruption. It was founded by former World Bank employees and as a result maintains strong links with the Bank (Harrison, 2007).

The GII's anticorruption advocacy at the district level has seen it adeptly collaborate with the mainstream Churches and the National Commission on Civic Education (NCCE).²²¹ Partnerships may be principally due to logistical challenges Accra-based CSOs like the GII face, yet the overall benefits remain laudable. Additionally, the GII has also organized anticorruption capacity building workshops that involve civil servants from ministries and government agencies. Bringing together other stakeholders, who assist in honing in on the costs and consequences of corruption, some of these workshops are more of awareness events for the public officials.

In its advocacy role, the GII has usually drawn on the work of research-based CSOs such the Institute of Economic Affairs (IEA) and the Ghana Center for Democratic Development (CDD). This has provided the anticorruption lobby with a deep well of specialist knowledge to complement its work. The IEA, for example, is essentially a public policy think-tank which has played a key role in the anticorruption process through reviews of government policy and research. Among the IEA's prominent work are the drafting of the Whistle Blower and Freedom of Information (FOI) legislation. Using public events on governance as platforms, GII has urged the government on passing such legislation to improve the transparency. The annual launch of the Corruption Perception Index (CPI), published by Transparency International, is one occasion which GII has continuously used to make its case. Due to Ghana's mostly unchanging low CPI scores, as noted in chapter 1, FOI has been argued by GII to be essential for improving transparency and accountability.

The effects of CSO advocacy remain debatable. In the early period of NPP rule, for instance, the government responded positively to calls by civic groups. Yet, when the opposition NDC seized on CSO statements and the CPI results to criticize government, the official tone became defiant. The Kufuor administration later simply shrugged off such calls using the familiar refrain of corruption being purely a matter of perception. As a result, it is unsurprising that Daniel Batidam of the GII offers a sceptical view on government commitment to CSO input. Whilst admitting the NPP government consulted with civic groups, Batidam suggested that the motive was aimed at enhancing the administration's credibility from donors' perspective.²²² However, Batidam's point is at odds with the view of a leading governance expert. Emmanuel Gyimah-Boadi of the CDD argues that the NPP government "genuinely" sought the expertise of civil society, even though it failed to act on recommendations.²²³ Political will may be an explanation for the inaction here.

²²¹ The NCCE is a public body with the constitutional mandate to carry out public awareness and civic education. Thus, it is strategically placed with offices in every district of Ghana.

²²² Structured interview with Daniel Batidam, Executive Secretary of the Ghana Integrity Initiative (GII) at the GII Office in Accra. 7 May 2004.

²²³ Structured interview with Emmanuel Gyimah-Boadi, Executive Director Ghana Center for Democratic Development (CDD) at the CDD office in Accra. 20 May 2004.

The GII also plays a key role in the Ghana Anticorruption Coalition (GACC) - an umbrella organization that consists of civic groups, the private sector and public anticorruption bodies. Ghana's principal anticorruption institutions - CHRAJ and SFO - are GACC members.²²⁴ The Coalition positively contributes to the anticorruption agenda through the provision of a platform for coordination among CSOs and has been useful for avoiding duplication. Working together, GACC has enabled non-state actors, as a united force, to lobby and engage in dialogue with government, anticorruption bodies as well as donors. However the Coalition, in which GII remains a principal figure, has been inundated with internal wrangling. As of early 2006, this had caused the implementation of the GACC action plan to be suspended. The GACC's ambition to expand its activities is a possible explanation for the power struggles. This may be because the Coalition, like most CSOs in Ghana, is entirely financed by donors and hence it faces funding competition from its own members.

In fact, funding appears to be the major challenge affecting most anticorruption CSOs. Donors have remained the major benefactors to civil society, as they hold the view that these groups are an important facet of the anticorruption agenda. All the same, there are varying degrees of 'donor dependency' amongst civic groups which raises concerns about their autonomy. Donor funding to CSOs, for the most part, is project specific - as opposed to core funding.²²⁵ As a result, some civic bodies claim to have abandoned more pressing areas of anticorruption research not deemed commensurate with those of donors. One civil society representative was blunt in noting that "donor interest" was being served in contrast to what was "critically necessary".²²⁶ Similar mutterings were echoed by other CSOs which suggested that, while they required donors to keep them afloat, home-grown initiatives were effectively abandoned. For now, donors look set to continue with their financial support of CSOs anticorruption agenda. But the short-term nature of current funding trends creates gaps in forward planning for certain civic groups. This has extended to the inability of some to provide job security for their employees (GTZ, 2002). As of early 2006, GACC was the most vulnerable. With training from donors, CSOs could develop techniques of raising funds from local sources in order to alleviate their financial difficulties.

²²⁴ GII initially managed the GACC until a permanent secretariat was installed. Besides ACAs, other members of the GACC include the GJA, the Forum on Religious Bodies and the Private Enterprise Foundation.

²²⁵ Donors argue that there are limits to providing core support for CSOs, in contrast to project funding, partly because of their operating rules (World Bank, 1997b and GTZ, 2002). But, as noted earlier, a small amount of funding from donors such as DFID has contributed to core funding for CSOs through the Ghana Research and Advocacy Programme (GRAP).

²²⁶ Structured interview with 'M' in Accra. 20 December 2005.

4.6 Conclusion

This chapter set out to outline the role of the media, civil society and donors as active crusaders in Ghana anticorruption process. Taking the case of donor support, the evidence is clear that they have been a lifeline to key public anticorruption agencies such as CHRAJ and SFO. But, insufficient government funding for these agencies has meant that the overall impact of donor assistance is limited. In terms of anticorruption related technical assistance, donors have assisted with reforms in several areas that are prone to fraud. Yet we found that 'ghost-busters' such as DFID, which has supported the clean-up of the public sector payroll, have been left haunted due to the apparent lack of government commitment. Certain donor efforts have thus become a battle of diplomacy against political will. In fact, some donors admit this problem but are hesitant to openly criticize government or consider any firm action in line with the good governance rhetoric. What discounts government's shortfalls, and serves as the source of attraction for development partners, is Ghana's deepening democratic dispensation. This approach has not helped. What has ensued is that government repeatedly points to endorsement by donors as proof of its adequate governance record. As dialogue alone may not prompt government to act, particularly when political will is lacking, donors face a tough challenge in how they translate their frustration through the 'quiet diplomacy' technique they claim to employ in Ghana. On the other hand, to judge donor efforts only from a top-down approach will be an abdication of responsible judgement. In the non-public sphere, anticorruption civic groups have also been assisted by donors. These bottom-up measures have enabled CSOs to remain at the forefront of anticorruption public education and advocacy.

The media have made a pivotal contribution to the anticorruption process, and this has been mostly facilitated by the constitutional guarantees of a free press. But the media's positive input was observed as coming from the privately owned press, owing to the difference in approach between the private and state-controlled media. The state media have played a limited role in anticorruption and mainly function as the mouthpiece of incumbents - emphasizing their development record with accountability hardly covered. As outlined above, government interference may explain this trend. Thus investigative journalism related to corruption, which has been taken up by the private press, has turned out to be the *cause célèbre* of some newspapers. Whereas Rawlings' NDC regime attempted to restrain the press, ensuing in a testy relationship, the Kufuor NPP administration provided it with a more liberal environment and enjoyed a good rapport with large sections of the media. The less acerbic approach by the media in terms of NPP related corruption, in comparison to the Rawlings era, suggests that the relationship between incumbents and the private media influences the tone of anticorruption in the press. Overall, whilst the private press have done a good job in uncovering corruption, we

learnt that they face serious challenges. These include difficulties with access to official information and a dearth of investigative journalism techniques. The evidence that greasing the palms of journalists is a common occurrence also raises grave concerns about ethical standards in Ghanaian journalism.

CSOs, for their part, have emerged as key activists and helped position anticorruption as an important issue on both the religious and social agenda in Ghana. Religious leaders in mainstream Church groups, such as the CBC and CCG, have been active campaigners of anticorruption using moral teachings of the Church as well as a hands-on approach. Even then, the 'prosperity' doctrine emerging from the flourishing Pentecostal movement appears to undercut some of their efforts. The anticorruption advocacy of civic groups like the GII has also contributed to the bottom-up approach of grassroots public education and complemented the work of public anticorruption bodies. In addition, valuable research and public debate on corruption have been initiated by other civic groups. But the concerns and recommendations noted by civil society have only been met with lukewarm government response. Further, overdependence on donor funding has affected the autonomy and initiative of CSOs.

An important lesson drawn from the above is that political will significantly affects the anticorruption mission of the media, civil society and donors. The constraint on donors, owing to their diplomatic status, calls for the effective collaboration of all three groups. The combined determination of a balanced and vibrant media, an active and well-resourced civil society, together with impartial donor pressure, can serve as a formidable bloc to counteract the political will deficiency. But given Ghana's patchy anticorruption record, for now, this remains a matter of hope rather than an expectation.

Chapter 5

Empowerment, embezzlement and the limits of accountability in Ghana's system of local government: Complications from surgery?

Many past governments have acknowledged that decentralization is the right prescription to cure this cancer [rural underdevelopment], but they have been too timid to ask the patients to swallow more than a few ineffective tablets...The government of the PNDC is committed to changing this trend, using as its means the programmes for decentralization and mobilization...A more drastic prescription is needed, involving strict medication of the patient and possibly even surgery.

Flt-Lt Jerry John Rawlings, Chairman of the PNDC
Address at the Fifth Annual Delegates Conference of the National Association of Local Government Councils. Greenhill, Accra. 29 November 1983. Information Services Department (undated, p.45)

5.1 Introduction

In 1989, the populist Provisional National Defence Council (PNDC) regime instituted a new system of decentralized government - the District Assembly (DA). This replaced a more centrally controlled local government structure that had been in existence for most of the post-independence period. The reforms, medication as Rawlings termed it, were argued by the PNDC as necessary for rural development and, importantly, to give 'power to the people'. As explained by Kwamena Ahwoi, PNDC Secretary for Local Government and a key architect of the decentralization programme, the rationale was to give "people the responsibilities for managing their own affairs, with particular reference to planning, implementation and evaluation of programmes" (Kwamena Ahwoi cited in Bentsi-Enchill 1989:183). Altogether, the underlying theme was to create a system more responsive to the needs of local people.

Decentralization remains a core feature of reforms aimed at development and accountability in various countries (Crook, 1994; Ayee, 1996; Crawford, 2003, 2008; Shah, 2006). Sharma (1997:61) pointedly argues that decentralization together with democracy and public accountability are considered to be "the major objectives of good governance in Africa". Indeed, devolving power to the grassroots has been encouraged by bilateral and multilateral donors who have funded decentralization programmes in several developing countries. For the purpose of this study, decentralization could be expressed as involving the formal transfer of power from central government to local level authorities. Crawford (2003) lists three main types of decentralization: administrative, political and fiscal.²²⁷ Thus, local government may be explained as a body which exercises the devolved powers in these three areas at the local level.

²²⁷ Administrative decentralization mainly relates to the transfer of power to local level officials including civil servants who represent units such as ministries at the local level. Crawford (2003:3) explains that fiscal decentralization entails the transfer of fiscal resources and revenue generating powers to local authorities. Political decentralization, which is sometimes referred to as devolution, is the transfer of "power and resources to sub-national authorities" who may have some degree of independence from the central government (Ibid:3).

Another touted principle of decentralization is that it brings government 'closer' to the people. The PNDC maintained this proximity would allow the public to monitor officials and demand 'accountability', which as noted in chapter 2 was a watch-word of the Rawlings regime. The government adopted this theme in promoting the decentralization reforms and painstakingly outlined that accountability would also evolve from the peoples' direct participation in the 'decision-making' process of governance. However, it is important to note that the evidence on the relationship between decentralization and corruption remains ambiguous. One school of thought argues that decentralization has been associated with increased corruption (Ayee, 1999; Prud'homme, 1995; Treisman, 2000). Prud'homme (1995), for example, suggests corruption may result from the combination of weak monitoring as well as the wide discretionary authority local bureaucrats exercise, in comparison to their national counterparts. Another strand of literature contends decentralization leads to less corruption (Arikan, 2004; Fisman and Gatti, 1999; Huther and Shah, 1998; Shah, 2006). Fisman and Gatti (1999) for instance, present cross-country evidence to support the claim that corruption may be lower in countries with high levels of fiscal decentralization. Possible explanations for the ambiguity may lie in variations of decentralization - federal to state level and central to local level - in addition to the different settings in which it has been implemented. Indeed some recent literature emphasizes that, in developing countries, key factors such as literacy and the effectiveness of oversight institutions needs to be taken into account as these indicators affect the susceptibility of decentralized institutions to 'capture' by local elites (Bardhan and Mookherjee, 2006; Shah, 2006).²²⁸ In fact Shah (2006), despite arguing that decentralization may reduce corruption, notes the possible exceptions in developing country settings.

After almost two decades of decentralization, espoused ideals such as accountability to the grassroots have not materialized. For example, the government appointed district head appears to be accountable to the appointing authority - the President - rather than local the population. At the same time, the evidence also indicates corruption has been significant. One of the most comprehensive corruption studies on Ghana, the World Bank (2000a), ranked the local government system of Metropolitan, Municipal and District Assemblies (MMDAs) as one of the least honest public agencies after the Police, Customs Service and the Judiciary.²²⁹ This scenario has persisted despite the different institutional arrangements for checking abuse within the Assembly system. The Auditor-General's reports, in particular,

²²⁸ Elite capture of resources at the local level may not always be corruption related. Crawford (2008) provides evidence from Ghana where administrative elites allocated significant portions of local resources for their own official use. These were for large costly projects such as the refurbishment of an office or the construction of a guesthouse, which though legitimate, may not be commensurate with the more urgent needs of local people.

²²⁹ The Ministry of Local Government classifies Assemblies into three groups: Metropolitan, Municipal or District Assemblies. Areas with populations of over 250,000 are classed as Metropolitan Assemblies whilst Municipal Assemblies consist of one-town Assemblies with over 95,000 people. Finally, District Assemblies are generally urban/town/ areas with populations over 75,000. There are Metropolitan Assemblies in areas such Accra and Kumasi, while Cape Coast has a Municipal Assembly. For the purpose of this study 'District Assembly' will be the term of reference for all MMDAs, unless a specific case is under discussion.

have consistently detailed a pattern of endemic corruption at the local level. Likewise, Serious Fraud Office (SFO) investigations, parliamentary proceedings as well as the media offer ample evidence of widespread corruption across Assemblies. Not least, corruption appears to have been compounded by the requirements in the 1992 Constitution, mandating for a sizeable amount of resources to be channelled to the district level for development purposes.

This chapter examines the effectiveness of anticorruption measures at the local government level using case studies. The emphasis will be on procurement, contracts and revenue collection, as these represent endemic and recurring areas of district level corruption.

The central argument made is that accountability within the DA system of government has been limited. The decentralization reforms granted power and resources to Assemblies allowing districts take a level of ownership in their development. Yet the irony has been that the devolved powers and financial resources have also placed public office holders at the local level in a better position to engage in extensive corruption. This is partly due to weaker oversight structures, which exist across districts, compared to those at the national level. The lack of political will has also played a role. This has been manifested in the reluctance to implement audit recommendations thereby inhibiting anticorruption measures from taking their full course. In fact, the lack of commitment by incumbents to accountability, in the case of district heads who remain at the centre of numerous Assembly related corruption allegations but are seldom made answerable, can be argued as rooted in political self-interest. District heads, appointed by the ruling party, play a valuable role in mobilising grassroots support for incumbents. Thus government elites have been hesitant in demanding accountability for fear of undermining their political base. Overall, it is argued that the persistence of similar patterns of corruption across Assemblies indicates the record of ACAs in checking local government corruption remains minimal.

The next section outlines Ghana's system of local government and its in-built accountability mechanisms.

5.2 The District Assembly system of local government in Ghana

5.2.1 Background

Chairman Rawlings' frustration, as noted in the introductory quote, lay mostly with the centralized structure of local government. Rawlings blamed the prevailing top-down model as only serving the interest of those in power. In view of this diagnosis, a remedy in the form of a system designed for grassroots' involvement in local governance was anticipated.

Beginning in 1985, the National Commission for Democracy (NCD) led by Justice Daniel Francis Annan, a member of the PNDC, held public consultations aimed at finding a more effective system of governance. Arguments presented by the government centred on how previous attempts of party-politics had failed to bring meaningful economic development. The PNDC published the so-called 'Blue Book' in 1987, which outlined a new system of local government involving the 'common man' as the proposed form of decentralization. As will be later outlined, the most striking feature of this new system was that Assemblies were to be non-partisan. This reflected Rawlings' dislike of the party system of democracy, which he often held responsible for Ghana's problems. The District Assembly (DA) system was next established through the Local Government Law, 1988 (PNDC Law 207), with each of Ghana's then 110 administrative districts having their own Assembly.²³⁰

The PNDC's underlying motives for introducing these reforms, it has been argued, were not only rooted in its populist ideals, but also bordered on the tricky subject of the regime's self-preservation. Ayee (1997b:38) for example, suggests the PNDC faced a "legitimacy crisis" as a military regime and used the decentralization programme as one of the attempts to prove its democratic credentials to donors. Oquaye (1995:232) on the other hand simply refers to the PNDC decentralization programme as a "cosmetic change". Other critics, particularly members of the erstwhile political parties (then under a ban imposed by the PNDC in 1981), dismissed the decentralization reforms. The consensus among the parties was that the reforms were a charade for prolonging the PNDC's stay in office.²³¹

Most of the above suspicions are plausible. However, the argument by Ayee (1996) that the PNDC also used the DAs to build its rural power base is perhaps the most persuasive, as there is ample evidence to support this claim.²³² For example, viewed within the context of the make-up of the first Parliament of the Fourth Republic, 35 percent of the MPs were from the DAs, with the Rawlings led National Democratic Congress (NDC) taking 95 percent of all seats. The opposition's boycott of parliamentary elections in 1992 certainly helped with the NDC's gains. Yet, the fact that many Assembly members stood on the NDC parliamentary ticket in the first place pointed to some form of connection.

Additionally, certain actions of the so-called 'revolutionary organs' may help explain the 'rural power base' hypothesis further. Groups such as the Committees for the Defence of

²³⁰ Two issues are worth noting. Firstly, prior to the reforms, there were 65 administrative districts spread across Ghana's 10 regions. Data discussed in this chapter relates to the 110 districts which existed between late 1988 and 2004. After this period, the total number of districts has steadily increased, and as of February 2008 stood at 169. Secondly, given that the decentralization reforms took place before the 1992 Constitution was written, the key tenets of PNDC Law 207 were integrated into the Constitution under articles 240 to 256.

²³¹ It may not be cynical to suggest that what these politicians expected was a process that would have also included national level elections.

²³² The consultative assembly charged with drawing up Ghana's 1992 Constitution was composed of 267 members, 117 of whom were members of DAs. The PNDC thus gained a strong imprint on the Constitution's deliberations.

Revolution (CDRs) provide a useful example, as they enjoyed a firmly established status at the grassroots and exerted influence within the DAs. CDRs assisted PNDC district secretaries with local government administration, before and after the Assemblies were created. Their sphere of influence also extended to matters such as allocating resources and development funds. But more importantly, as foot soldiers of the PNDC revolution, CDRs played a lead role in mobilising local residents for community and self-help development projects among others at the district level. The NDC capitalized on their strategic depth of local knowledge and close contact with the grassroots by employing the services of these 'organs' particularly during the 1992 general elections campaign. Even in the democratic era, the revolutionary organs could not be entirely written off and continued to be significant in the districts until the NDC government was voted out of office in 2000. Sandbrook and Oelbaum (1997) accurately point out that, while revolutionary organs like the CDR lost much of their arbitrary power, they still maintained influence throughout the chain of the DA system. This was even more profound in districts where CDRs had formalized their role by being elected as Assembly members. Overall, it was principally the form in which local governance was organized and the subsequent utilization of the rural power base by both the PNDC and its civilian version, the NDC, which remained questionable.

The first elections to the DAs were held between December 1988 and February 1989.²³³ In view of the non-party political system of the Assemblies, eligible voters could only stand as individual candidates. Vieta (1989b) notes that, prior to the first DA elections, candidates were disqualified on the basis of failing to pay basic rates (local taxes) or not doing communal service; there were about 732 such disqualifications in the Ashanti region alone. The PNDC was conceivably keen to portray its stance on accountability through such actions, although it is likely that political motives also accounted for some disqualifications.

On close examination, the turnout for the first elections reveal wide differences between rural and urban voting patterns. The national turnout was reported as 58.9 percent, a considerable success in comparison to the preceding local government elections held in 1978 where turnout was 18.4 percent (Vieta 1989b:511).²³⁴ Yet, in urban areas such as Abossey Okai and Legon in Accra, turnout was 29.2 percent and 11.5 percent approximately. This stood in sharp contrast to voter turnout in rural areas such as the Nadowli and Sissala districts of the Upper West region which was 70 and 79 percent respectively (Vieta 1989b:511).

An extensive public education campaign under the tutelage of the PNDC on the Assembly system may have also played a role in the high rural turnout. During the education

²³³ Elections to Assemblies are held every four years.

²³⁴ The low turnout in the 1978 elections, organized by the Supreme Military Council (SMC) regime of General Fred Akuffo, could be partly explained by the lack of extensive publicity. In that instance, only about six weeks separated the announcement of the elections and polling day.

campaign, which spanned a six month period before the elections, the government propaganda machinery was effective in promoting the benefits of the proposed Assemblies and raised expectations among rural voters in particular. As recounted by Ephson (1989:143) a market woman, from the Akwapim South district, when asked about her understanding of the DA responded:

All I know is that we do not have to wait for government to repair our roads or give us water. We can initiate and execute these projects and look up to the government when in dire need.

Further, in other rural areas, the strong turnout was also translated into 'people power' where the 'big man' status was no longer the prerequisite to gain office. Oquaye (1995) for example cites a case from the Western region where a conservancy labourer won a seat against a legal practitioner; an educated businessman is noted to have also lost to an illiterate farmer. On the whole, it appears the PNDC's message had not been as fully internalized by the urban class as by the rural people.

5.2.2 District Assembly (DA) structure and functions

Elected members of DAs represent local government electoral areas within their district and constitute two-thirds of an Assembly. The remaining one-third are appointed by the President as prescribed by the local government law. The presidential appointments are said to guarantee the representation of different economic and interest groups such as women and traditional authorities within the Assemblies.²³⁵ Additionally, the aim is to place a level of expertise in the DAs through the representation of professional associations. In practice, there is little evidence of consultations with interest groups and traditional authorities before appointments. Although teachers, members of the security services and the clergy have on occasion been selected to serve, appointments are typically used as tools of patronage extended to a ruling party's sympathisers. Herbst (1993:91) argues pointedly that, generally, the system of appointees makes such members "beholden to the central government rather than responsive to constituents".²³⁶ Lastly, it is worth noting that Members of Parliament (MPs) with constituencies falling within a DA electoral area are also deemed members of that Assembly but have no voting rights.

The DA sits at the apex of the decentralized structure. As the highest political authority in the districts, DAs are granted legislative, executive and administrative powers. These include a decentralized development planning authority, aimed at fulfilling their primary function of promoting economic development in areas such as building of schools, hospitals and the provision of water and roads. Assemblies are also granted budgeting and revenue-raising

²³⁵ Traditional authorities constitute 20 percent of appointees (Haynes 1991:298).

²³⁶ Nugent (1995:177) however argues that the PNDC filled the quota of appointees in an "astute manner" and cites the example of Baafour Osei Akoto, an Ashanti statesman, who was appointed to serve on the Kumasi Metropolitan Assembly. Akoto was categorically not a Rawlings man and the fact that he accepted the appointment may have lent the Assembly system the credibility it craved in the early years.

powers through rates and levies. Additionally, 22 departments and institutions of the central government have been decentralized and maintain offices in all DAs.²³⁷ Similarly, 86 statutory functions previously exercised by central government, including responsibility for schools and hospitals within districts, have been transferred to the Assemblies. In line with the participatory democracy ideals of the DA system, Assembly members are also required to meet their constituents on a monthly basis to discuss issues such as development proposals and provide feedback on the work of their respective Assemblies.

In terms of key roles, a Presiding Member (PM), who is effectively the Speaker, is elected by all DA members to chair meetings of the Assembly.²³⁸ The political head of the DA is the District Chief Executive (DCE). The President nominates the DCE to serve a four-year term, subject to approval by a two-thirds majority of the DA members present and voting.²³⁹ This approval mechanism has been touted as a useful accountability tool given that rare scenarios have emerged when the President's nominee for DCE has been rejected by DAs. Still, it is instructive to note that the DCE confirmation process is accompanied by power struggles and threats to those who may vote against the DCE. With one-third of each DA constituting members nominated by the President there is, to some extent, a supporting bloc for DCEs. The coercion of appointed members has been noted in some circumstances where they have failed to support the President's nominee for DCE. Among these are warnings that their appointments may be revoked. CDD (2005a:2) also adds that Assemblies have also received "veiled threats" that failure to approve the President's nominee for DCE will lead to the withholding or delay of government funded development projects in the respective districts. These actions combine to indicate the checks and balances in the approval process remain subject to political manoeuvring.

It will not be an exaggeration to assert that the DCE is the most powerful person in the district. This is not only due to the constitutional designation as the chief representative of the central government, but largely because of the influence he/she exerts. The DCE chairs the important executive committee of the DA, which is responsible for the day-to-day administrative and executive affairs of the Assembly including the implementation of DA decisions.²⁴⁰

²³⁷ These are the Departments of Fisheries, Agricultural Extension Services, Crops Services, Agricultural Engineering, Animal Health and Protection, Feeder Roads, Parks and Gardens, Town and Country Planning, Rural Housing and Cottage Industries, Social Welfare, Community Development and the department of Forestry. The remaining are the Ghana Education Service, Information Services Department, Ghana Library Board, Birth and Deaths Registry, Statistical Service, Ghana Highway Authority, Public Works Department, Controller and Accountant General's Department, Office of the District Medical Officer and the Fire Service Department.

²³⁸ The PM is also a member of the DA.

²³⁹ DCEs serve a maximum of two consecutive terms and are paid by the central government. This is in contrast to Assembly members who are remunerated from their respective DAs resources.

²⁴⁰ There are also sub-committees of the DA with responsibility for development planning, social services, justice and security, works, and finance and administration.

The last key role is that of the District Coordinating Director (DCD), effectively the district civil service chief. The DCD heads the 'Office of the District Assembly' and oversees the work of decentralized ministries and agencies together with ensuring that development projects are executed as required. The DCD reports to the DCE.

Figure 5.1 Ghana's local government structure

The unit committees are the lowest tier in local government.²⁴² The size of units is structured to bring democracy to the doorstep of the grassroots and facilitate effective collaboration and interaction between the DAs and citizens. As such, units typically consist of settlements with populations between 500 and 1000 for rural areas and about 1500 for urban areas. Representatives on unit committees are made up of both elected members and government appointees. The functions of unit committees include organization of communal labour for self-help and development projects. Additionally, they also provide feedback on the work of DAs to those within their settlements and gain their input on other issues of concern through a consultative process.²⁴³

Two principal bodies outside the Assembly structure - the Regional Coordinating Council (RCC) and Ministry of Local Government and Rural Development (MLGRD) - have relations with DAs that are of relevance in this study. Despite the fact that Assemblies do not essentially report to these institutions, they are by law granted supervisory authority over DAs in terms of accountability. RCCs exist in each of Ghana's 10 administrative regions and consist of appointees such as the regional Minister, PMs and DCEs of all Assemblies within a particular region. RCCs carry out numerous tasks including coordination on behalf of the central government. Their main functions of relevance in this chapter are that of monitoring the use of funds and the evaluation of programmes implemented by DAs.

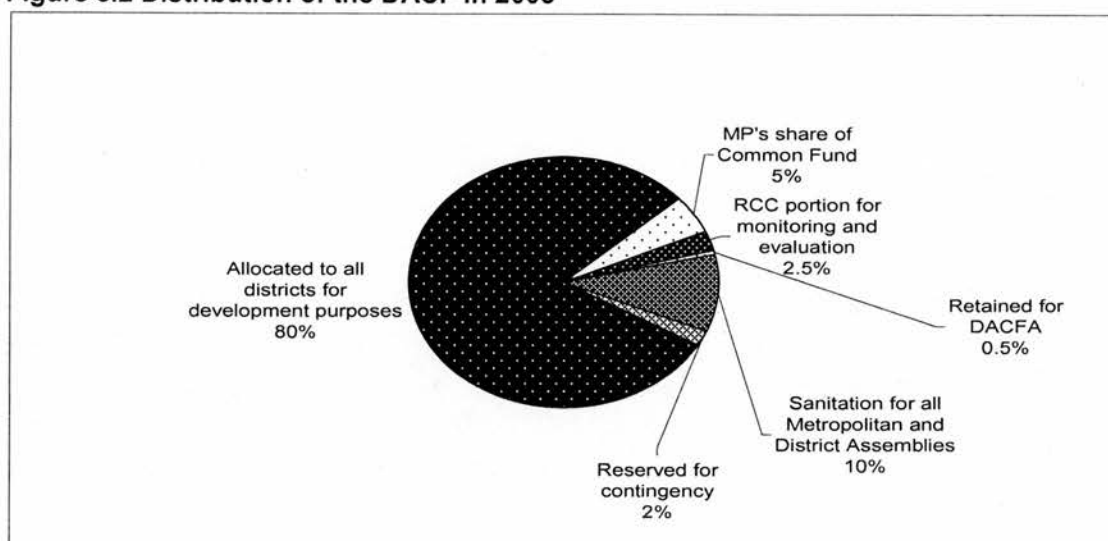
The MLGRD is at the national level. This Ministry coordinates central government policy with districts and is also granted monitoring and evaluation functions under the Local Government Act, 1993 (Act 462). Additionally, decentralized civil service units at the district level have been brought under the supervisory authority of the MLGRD through the Local Government Service Act, 2004 (Act 656).

5.2.3 District Assembly funding

One significant addition of the 1992 Constitution to the DA system is the stipulation that at least 5 percent of national revenue must be provided annually to Assemblies for development purposes. This money goes into a District Assembly Common Fund (DACF). The fund is run by a District Assembly Common Fund Administrator (DACFA) who is appointed by the President. The administrator presents a proposal yearly to Parliament outlining the fund's distribution. This is based on a sharing formula which takes into account factors that address disparities between districts such as roads and healthcare. After parliamentary approval, each district submits a supplementary budget on how it intends to use the funds before the DACFA makes disbursements.

All MPs are allocated a small share of the common fund to finance development initiatives/projects in districts that fall within their constituencies. However, MPs share of the common fund, which is used at the sole discretion of Parliamentarians, has received little scrutiny and has also been used as a patronage tool to offset DCEs prominence in districts. Figure 5.2 below, illustrates the 2005 distribution of the DACF, which is a fair representation of how the DACF has been distributed year-on-year since its inception. As indicated, the majority of the common fund - 80 percent - was allocated to districts for development purposes. Among the other expenses, the one of relevance in this chapter is the 2.5 percent allocated to the RCCs. This was for the monitoring and evaluation of Assembly projects in all regions.

Figure 5.2 Distribution of the DACF in 2005



Source: DACFA

The common fund, which can only be utilized on capital expenditure, has become an important source of financing development projects in the districts. Projects selected by the Assemblies such as provision of clean water supply, electricity, sanitation and roads are among the development-related areas where the fund has been applied. However, as will be outlined in the case studies below, the fund has also become a prime source of embezzlement in the course of providing these amenities. The other sources of revenue for Assemblies such as locally generated income comprising fees, rates and licenses from taxi registrations as well as chop bar certificates, have likewise been misappropriated. By and large, decentralization in Ghana has empowered Assemblies with both expenditure and revenue raising powers to chart their development path.²⁴⁴ But at the same time, the resources placed within the realm of DAs have also created avenues for corruption.

The total losses due to misappropriation of the common fund between 1997 and 2000 stood at approximately ₵122 billion (Auditor-General's report on DACF, 1997-2000). This amount represented about 20.8 percent of the fund allocated to Assemblies.²⁴⁵ As detailed in table 5.1 below, contracts have accounted for a large proportion of misappropriated income from the DACF. One explanation for this relates to the fact that a significant amount of the common fund is spent on contract related development projects such as building of schools, roads and clinics. However, as will be outlined in the next section, the circumvention of rules

²⁴⁴ Crawford (2008:254) suggests that the provision of health and education services in local government have seen "limited improvements". In fact donors are known to fund the provision of some of these basic services. But whilst in other cases infrastructure provision are the direct activities of Assemblies, the DA system is argued not to have made a significant impact on local level poverty reduction - in terms of household income (Ibid.).

²⁴⁵ IEA (2002:13) provides evidence that the proportion of the common fund misused in 1994, 1995 and 1996 amounted to about 26.7, 24.3 and 22.2 percent respectively.

governing the contract process has been rife.²⁴⁶ Table 5.1 shows that cash irregularities comes in at third. This is due to the weak internal controls in DA financial administration and processes such as revenue collection. Procurement fraud also features prominently, at fourth, as part of the main losses to corruption at the district level. The prevalent pattern of irregularities in this area has been facilitated by lax oversight systems covering purchasing.

Table 5.1 District Assembly Common Fund misappropriations (1997-2000)

No.	Irregularity	%	¢ Million
1	Contract Irregularities	58.8	71,787.50
2	Outstanding loans on Poverty alleviation fund	15.8	19,248.40
3	Cash irregularities	15.6	19,040.80
4	Procurement/ Stores irregularities	7	8,606.70
5	Deductions by Administrator	1.3	1,571.90
6	Outstanding loans (others)	0.7	911.50
7	Outstanding loans on Youth Agriculture Programme	0.7	827.70
8	Tax irregularities	0.1	91.30
	Total	100	122,085.8

Source: Auditor-General's report on DACF (1997-2000)

In line with the above, the next section analyzes case studies in the areas of contract irregularities, procurement fraud and cash embezzlement. The key method of assessment will be an explanation of the case and anticorruption measure(s) applied. Similar examples of misappropriations exist across most DAs. As a result, the case studies discussed are done with the intention of presenting a representative picture of anticorruption efforts in these major areas of fraud. As such, they are by no means an exclusive indictment of the DAs discussed.

5.3 Anticorruption mechanisms at the district level

5.3.1 Contract irregularities

For the period under discussion, 1993-2006, there were elaborate laws and guidelines governing the award of contracts and procurement of goods at the district level. The Local Government Act, 1993 (Act 462) for example required DAs to establish District Tender Boards (DTBs) to advise Assemblies on the award of contracts and the supply of goods. The legislative instrument associated with Act 462 - the Local Government (District Tender Boards) (Establishment) Regulations, LI 1995 (LI 1606) - provided finer details of inbuilt anticorruption mechanism surrounding the tendering process. As an example, it required members of the tender boards, which was chaired by the DCE, to declare their assets and also barred them from participating in contract bids.²⁴⁷ This related to government approved

²⁴⁶ In same period of 1997-2000, there was an additional loss of ¢582.1 million from internally generated funds of Assemblies due to contract irregularities; this is besides the misappropriation of the common fund noted above.

²⁴⁷ The members of the DTB included the following DA members and officials: the Presiding Member, chairpersons of the works sub-committee, and the finance and administration sub-committee. One Member of Parliament,

projects to be implemented in the districts as well as projects funded from DAs internally generated income. This system was disbanded by the Public Procurement Act which was noted in chapter 4.²⁴⁸ However, as the Procurement law was not operational for the period under study, the cases discussed in this chapter fall within the scope of Act 462 and LI 1606.

Generally, the tender process under LI1606 required the advertisement of all district level contracts in the media. Technical evaluation teams in the districts next conducted careful examination of submitted bid details, focusing on feasibility and financial competitiveness.²⁴⁹ The technical team then made recommendations to the tender board. The next stage involved the DTB evaluating the recommendations made to it and engaging in discussions with proposed contractors before finally reporting to the Assembly, which had the exclusive mandate to award contracts. The Assembly ratified the award of a contract only when it was satisfied that the rules governing the process had been complied with.

In spite of the above procedures, the Auditor-General's reports are packed with assorted incidents of non-tendering and 'ghost' contracts. DCEs, in particular, are repeatedly noted at the centre of schemes where contracts are awarded on a non-competitive basis without reference to DTBs or DAs as the law required. A case from the Mfanstiman DA, located in Ghana's Central Region, provides an example. Audit investigations revealed that, in 1996, the DCE awarded four contracts worth approximately ₵91 million without the DA's approval. The explanation offered by the DCE was that "compelling and emergency circumstances" called for circumventing the rules (Auditor-General's report on DACF, 1996:14).

Evidence, yet again from the same Mfanstiman DA, demonstrates that the approval of contracts by the entire Assembly does not remove opportunities for corruption. Between 1997 and 2000, contract fraud in that Assembly totalled approximately ₵68 million. This often featured senior district officials who were associated with the contract process engaging in the falsification of records and overpayments. An example in this respect relates to the construction of a day care centre in the Narkwa area of the Mfanstiman district. The Assembly approved approximately ₵20 million for the above work, which was awarded to Dolad Construction Company Limited, but audit investigations revealed the contractor was overpaid by ₵10 million. The district budget officer together with the deputy district finance

belonging to an Assembly, could also sit on the Tender Board. Senior district officials such as the District Engineer and the head of district planning co-ordinating unit, were also members. The DCD was the secretary of the tender board.

²⁴⁸ The Public Procurement Act, 2003 (Act 663) was practically implemented almost three years after being passed due to the slow pace in establishing enabling institutions such as the Public Procurement Board. The new Procurement Law repealed LI1606 and requires that District Tender Committees and District Tender Review Boards be established to oversee the tender process at the district level.

²⁴⁹ The technical evaluation teams mainly comprised civil servants with the requisite skills in the areas of works and planning. The heads of the DA works and physical planning departments were members of the district evaluation teams. The district engineer of the Ghana Highways Authority was also a member, and in the case of Metropolitan Assemblies, the head of the urban roads department also sat on the evaluation team.

officer were identified by the Auditor-General as having colluded in falsifying the payment certificate.²⁵⁰ It is worth noting that the contractor, when presented with the evidence by auditors, admitted an overpayment had been made. As a result, the Auditor-General recommended that the two officials, together with the contractor, be held liable.²⁵¹

The Local Government Ministry has also exercised its supervisory role over DAs use of public funds. A notable example in the area of contracting is an investigation ordered in 1999 by Kwamena Ahwui, then the NDC's Local Government Minister. This was in response to allegations of illegal award of contracts in three districts of the Northern region - East Mamprusi, East Gonja and Tamale. The committee which investigated the allegations exonerated the East Gonja DCE, after certifying that the contracts in question had been awarded appropriately. The East Mamprusi and Tamale chief executives were however noted to have failed in following the procedure for awarding contracts. Taking the case of Alhaji Ibrahim, the Tamale Municipal chief executive, the report indicated Ibrahim had awarded 30 contracts without involving the District Tender Board. The costs were also noted to have been inflated.²⁵² Worse still, it was revealed that seven of these contracts, at a total cost ₵153.9 million, had not been budgeted for by the Tamale Municipal Assembly (GNA, 27 August 1999). The Local Government Ministry cancelled the seven contracts that were unbudgeted and requested that any advance paid to contractors be refunded. The Ministry also asked a technical team to evaluate the remaining contracts and advise the DA. Additionally, the NDC government did not reappoint this chief executive after his term expired in 1999 (Ayee, 1999).²⁵³ While the disregard of procedures by DCEs are highlighted in this example, this case also demonstrates that, backed by the necessary political will to act on adverse findings, anticorruption measures can be effective. This stands in sharp contrast to the Auditor-General's recommendations, which do not receive political support and are left unenforced.

The Commission on Human Rights and Administrative Justice (CHRAJ) has also investigated contract fraud at the district level. CHRAJ revealed in its 1996 annual report that "an Assembly member", who was also the chairman of the finance and administration sub-committee, had formed a company that was executing contracts awarded by the Assembly (CHRAJ 1996a:51).²⁵⁴ CHRAJ uncovered that, in the same month the company was established, it was awarded a contract to construct a public latrine in the electoral area of the Assembly member in question. Nonetheless, CHRAJ only issued a warning to the member involved with no punitive actions taken. The Commission, however, stressed that "the

²⁵⁰ This is a common trend observed across districts. Contractors are known to collude with district officers and tend to refund some excess payments directly to the officials involved.

²⁵¹ Compliance with the Auditor-General's directive could not be verified due to the lack of data.

²⁵² The Tamale DCE was also noted to have misled the DA on different aspects of the Assembly's finances.

²⁵³ The East Mamprusi DCE was also not re-appointed.

²⁵⁴ For unexplained reasons, the Commission did not name the DA or Assembly member in this case.

practice of DA[s] awarding contracts to its own members [did] not augur well for the fair and smooth administration of the DA[s]" (CHRAJ 1996a:52). This case also highlights the conflicts of interest that exist within DAs, a phenomenon which is widely replicated at the national level. Overall, it is pertinent to emphasize that in terms of contracts, the evidence provided by anticorruption institutions points mostly to DCEs, senior DA members and high ranking district level officials as the repeat offenders.

5.3.2 Procurement fraud

Salaries and wages aside, procurement in Ghana constitutes between 50 to 70 percent of government's budget expenditure (GNA, 24 May 2006). Likewise, at the district level, procurement forms a substantial part of Assembly expenditure and may partly explain its prominence as a source of misappropriation, as was noted in table 5.1. The current guidelines for DA public procurement are detailed in the Public Procurement Act, 2003 (Act 663) cited above. But, as the case studies in this section also preceded the implementation of the Procurement law, guidelines including LI 1606 governed the process. Similar to contracts, the examples below indicate that disregard of procedures together with a weak regulatory environment remain key factors accounting for widespread procurement fraud.

In May 2002, Paul Collins Appiah-Ofori, an NPP Member of Parliament (MP) who is also a leading anticorruption campaigner, detailed in Parliament alleged financial losses at the Asikuma-Odoben-Brakwa DA.²⁵⁵ The core of the MP's statement related to the fact that, as of the year 2000, the district had received around ₵4 billion from the DACF with little evidence the funds had been utilized as required. The MP explained that on account of this he commissioned quantity surveyors of a government agency, the Public Works Department (PWD), to carry out an evaluation of projects executed in the district between 1995 and 2000.

Appiah-Ofori presented elaborate details of the discrepancies uncovered by the PWD. For example, 1,000 desks supposedly purchased at a cost of ₵30.5 million could not be traced to the schools to which they were alleged to have been delivered (Parliamentary Debates, 17 May 2002). The PWD also noted cases of overpayment totalling about ₵139 million. This had resulted from work carried out in the district between 1995 and 1998, which the PWD valued at ₵119 million; the Assembly had paid out almost ₵258 million - more than twice the amount (Parliamentary Debates, 17 May 2002).²⁵⁶

²⁵⁵ The DA in question was in Appiah-Ofori's constituency. As will be recalled from chapter 4, Appiah-Ofori was the MP at the centre of 'wife-beating' allegations published by the state-owned *Daily Graphic* in 2007.

²⁵⁶ Contracts totalling approximately ₵683 million were noted to have been executed without requisite documentation or certificates to support payment. This is contrary to DA spending rules which require expenditure to be supported by invoices, receipts and payment vouchers. These form the core of internal controls aimed at validating transactions and ensuring funds have been utilized for the correct purposes.

What made this case striking was the MP's assertion that a prior audit of the DA, carried out by the Auditor-General, had failed to detect these irregularities. This prompted the MP to suggest that "someone watch the watchman", a reference to the possibility of collusion between elements of the DA and auditors, a situation which has been noted to occur (Parliamentary Debates, 17 May 2002).²⁵⁷ The MP however placed much of the blame on the DCE and senior DA officials, including the DCD, for creating opportunities that enabled suppliers and contractors to defraud the Assembly. Still, no direct evidence linking any of these officials to the allegations was presented. The basis of this accusation appeared to rest mostly on the fact that the officials cited were charged with the responsibility of ensuring value for money in district expenditure.

Parliament, for its part, was unanimous in condemnation of the malpractices made against the Asikuma-Odoben-Brakwa Assembly. Appiah-Ofori's statement prompted extensive debate in the House with MPs from both sides of the political aisle detailing similar tales of corruption from their DAs. Yet, the House went no further and demonstrated a lack of will to institute its own investigations into what appears to have been a well constructed case by Appiah-Ofori.²⁵⁸ Among the reasons used in side-stepping further inquiries were legal technicalities. This is best summed up in the contribution by Doe Adjaho, NDC MP for Avenor, who remarked:

Mr. Speaker, value for money audit is the constitutional responsibility of the Auditor-General's office ...What happens if those figures he [Appiah Ofori] was giving, having been done by the PWD runs counter to the Auditor-General's...Similar things are happening all over the place including in my district (Parliamentary Debates, 17 May 2002).

A review of the Auditor-General's reports however highlights an interesting point - the services of PWD have been regularly engaged by the Auditor-General's department to assess the value of public work. Thus the reliability of PWD estimates does not present itself as a firm argument, as suggested by Adjaho, but political expediency can better explain the inaction in this case. Given that the alleged irregularities took place when the NDC was in office, it is likely that the NDC MPs did not want to consider an investigation which may have unearthed potentially damning evidence against an NDC appointed DCE. On the part of the NPP, it would not be an exaggeration to argue that permitting further investigations was equivalent to opening 'Pandora's box'. Firstly, Appiah-Ofori has courted the reputation as a maverick within his own party. Although retaining the NPP whip, he was a constant critic of the NPP government, particularly, in the area of corruption.²⁵⁹ It is tempting to conclude that,

²⁵⁷ Still, it is worth pointing out that the Auditor-General, in his 1994 report, had cited weak internal controls at the said district and outlined that the DCE had overstepped the separation of powers to assume the role of spending and authorising officer.

²⁵⁸ Also, the available Public Accounts Committee's records do not indicate that any further inquiry took place.

²⁵⁹ In 2005, for example, Appiah-Ofori asked the Parliamentary Appointments Committee not to approve President Kufuor's ministerial nominee for the Central region, Isaac Edumadze who was also an NPP MP. Appiah-Ofori detailed allegations of corruption and abuse of office against Edumadze, but Parliament failed to investigate the claims despite "strong public support" for an inquiry (CDD 2005b:10). Appiah-Ofori's commitment to hold the executive to account may also lie behind his reassignment by the NPP in 2005 from two parliamentary committees

possibly, the best way of preserving the status quo was for the NPP not to encourage any further examination. Then again, Appiah-Ofori also claimed the Ministry of Local Government failed to act even though he provided it with a report detailing the allegations.²⁶⁰

On the other hand, the Public Accounts Committee (PAC) has scored a few anticorruption successes with respect to district level procurement. In 1998, for example, PAC followed through on a case raised by the Auditor-General in his 1994 report relating to the Agona Swedru DA. In this instance, a businessman paid to supply 20 wheel barrows to the DA had only delivered 10. As elaborated by J.H. Mensah, then chairman of PAC and NPP Minority Leader, the supplier insisted that the 10 delivered were of “superior quality” and hence covered the cost of the unsupplied items (Parliamentary Debates, 16 July 1998). The PAC chairman gleefully outlined to Parliament that the committee “put pressure” on the supplier and the remaining 10 wheel barrows were subsequently supplied; a unique achievement that prompted cheers of “*hear, hear*” in the House (Parliamentary Debates, 16 July 1998).

With more than their fair share of fraud, Parliamentarians have also added to the tribulations of Assemblies through procurement misappropriation; this has been in the use of MPs’ share of the common fund. A case in point relates to an issue raised by the Auditor-General in the 1996 report on the DACF. In this instance, a former MP for the Akwatia constituency, in the Eastern region, recorded about ₵6.3 million of the common fund as building materials expense for various ‘projects’ whilst in office. Yet, auditors were unable to validate these transactions as no specific projects had been listed in some scenarios. Transactions listed under specific projects were also disputed by the supposed beneficiaries, and in one example the chief of Okumaning denied he had received listed project items. Matters were further complicated by the fact that the Auditor-General was unable to contact the ex-MP when the fraud was detected.²⁶¹ This case provides another useful example of the drawbacks relating to the late reports of the Auditor-General, which as pointed out in chapter 3 hinders the anticorruption process.

5.3.3 Revenue collection and cash embezzlement

The task of revenue collectors in Assemblies includes issuing tolls and market tickets which often serve as permits, but in this role, cash embezzlement by collectors has become a prolific source of corruption. Typically, amounts misappropriated are considerably less than those accrued in contracts. Yet the pervasive nature of fraud in this area, which cuts across most districts, has meant that DAs lose an ample portion of such internally generated funds.

he chaired. As the chairman of the Ghana Poverty Reduction Strategy Committee and the Government Assurance Committee, the MP, it is noted, demanded accountability from NPP Ministers (CDD, 2005b).

²⁶⁰ Structured interview with Paul Collins Appiah-Ofori, NPP MP for Asikuma-Odoben-Brakwa at Parliament House, Accra. 9 December 2005.

²⁶¹ The audit report on the DACF for 1996 was published in 2000. Although the Auditor-General did not name the MP, parliamentary records indicate that Gilbert Kwasi Agyei was the NDC MP for the Akwatia constituency from January 1993 to January 1997.

SFO investigations help us to understand the possible forms of such embezzlement. Emmanuel Osei Wusu of the SFO explains that the complex cases involve DA employees who print their own copies of receipt books, with numbers running concurrently with the government issued ones.²⁶² The unofficial books are then used to misappropriate funds. The Auditor-General's reports also details a long list of simple fraud practices in this area which border on falsification and under-invoicing.²⁶³ Overall, the core of the problem here, the records suggest, relates to a breakdown of basic supervision and internal controls. One example of this that Assemblies continue to issue new receipt books to revenue collectors who have previously failed to account for old ones. Anticorruption institutions on their part have had limited results in this area. The evidence here rests on the recurrence of similar embezzlement, year-on-year, at the same Assemblies as detailed in the Auditor-General's reports.

The Bosomtwe-Atwima-Kwanwoma DA located in the Ashanti region provides a useful example of embezzlement in the light of weak controls. In 1994, 14 revenue collectors in the DA failed to account for ₵575,798 (Auditor-General's report on DATC, 1994:14). Additionally, three receipts books with no predetermined value could not be presented for audit. Thus, the Auditor-General in 1994 reminded the DA of the need for stronger internal controls. Also, internal audits and local government inspections, despite previous cautions, had not been introduced.²⁶⁴ The recurrence of the same offences in the subsequent years can be partly explained by the failure to implement the audit recommendations.

In 1996, the Audit-General found, once again, that 22 revenue collectors had similarly embezzled ₵515,440 collected in the same Bosomtwe-Atwima-Kwanwoma DA (Auditor-General's report on DATC, 1996). As in 1994, receipt books with no predetermined value were also not presented for audit. The continued pattern saw the amounts embezzled through the above scheme rise sharply by the late 1990s. In 1998, approximately ₵3 million was misappropriated by revenue collectors and as of 1999, collectors failed to account for about ₵3.4 million (Auditor-General's report on DATC, 1997-2000). For the year 2000, the story on cash fraud was slightly different. It was discovered that the treasurers of two area councils - Trede and Twedie - in the Bosomtwe-Atwima-Kwanwoma District, embezzled about ₵7million and ₵5 million respectively (Auditor-General's report on DATC, 1997-2000). Revenue collectors also failed to submit 77 rolls of market tickets for audit. Overall, the situation had deteriorated.

²⁶² Unstructured interview with Emmanuel Osei Wusu, SFO Senior Investigator, at the head office of the agency in Accra. 8 February 2006.

²⁶³ Collectors may record a correct amount, for example ₵300, but write out a lower amount ₵100, on the counterfoil.

²⁶⁴ Local government inspectors are officials of the Local Government Ministry who conduct checks in DAs.

By 2000, a local government inspector is noted to have been assigned to the district but this anticorruption measure appears to have been limited in its impact. As such, the Auditor-General put the blame on the local government inspector together with the supervising revenue inspector for their "failure" to check the books of the two area councils (Trede and Twedie). It is not clear whether this failure was deemed as deliberate or an oversight. But it is pertinent to point out that the responsibility should have extended up the chain of the DA. This is because the checks and balances within the Assembly system imply the finance and administration sub-committees also have the mandate to monitor revenue collection.

On the whole, a close assessment of PAC proposals on misappropriations by revenue collectors, points to the lack of strong punitive measures. A case from the Cape Coast Municipal Assembly is significant in explaining this. PAC, in one scenario, requested 34 revenue collectors who had embezzled Assembly funds totalling ₵7.6 million to only provide refunds (Parliamentary Debates, 13 December 1994).²⁶⁵ Such measures may not serve as a sufficient deterrent as refunds hardly constitute a form of punishment.

In addition to the issues highlighted and discussed in the case studies above, there are at least three major factors which directly impact district level accountability - politicization, audit shortfalls and resource constraints. The next section attempts an examination of these.

5.4 Other limitations of district level accountability

5.4.1 Politicization: Proxies and grandchildren

The theoretically 'non-partisan' Assembly system, within the wider context of party based politics at the national level, has created an accountability deficit. Further, the evidence here suggests both the NPP and NDC have used DCEs and DAs for party political benefit. Although Ayee (1999:2) cites the case of 25 DCEs dismissed for "rent-seeking" in April 1997 by the Rawlings NDC government, on the whole, such accountability measures have been rare. As noted earlier, the Rawlings administration engaged the revolutionary organs as proxies who carried out the party's bidding in the districts. For example, the 1996 Auditor-General's report noted that the district organiser of the 31st December Women's Movement (DWM) failed to account for ₵530,000 received from the Asikuma-Odoben-Brakwa DA funds. Additionally, at the Shama Ahanta East Metropolitan Assembly, the Auditor-General requested that about ₵1.7 million of DA funds spent on commissioning an oil mill by the DWM, in 1999, be refunded; this charge was considered inappropriate, due to the NGO status of the movement. Crook (1994:355) reminds us that, as of 1992, Assembly members were "struggling" to take charge of the execution of budgets; revolutionary organs and DCEs

²⁶⁵ Most of the revenue collectors in this Cape Coast case turned out to be Assembly members. This may also contribute to the inability of DAs to demand accountability from their own colleagues.

are noted as part of the structural reasons for this impasse. This offers some insight into the influence revolutionary organs maintained and how they may have gained access to Assembly funds.

On the part of the NPP, DCEs have been instrumental in the area of electoral campaigns. In the run-up to the 2004 general elections, for example, the then NPP government was noted to have benefited from state resources in the districts through the help of DCEs. Emmanuel Gyimah-Boadi of the Center for Democratic Development (CDD) detailed that the CDD's 2004 election monitoring exercise uncovered numerous cases representing "politicization of access to public facilities" at the district level, and described the scenario as "illegal and intolerable" (GNA, 4 December 2004). In one case, the CDD reported that the Non-Formal Education division of the Ghana Education Service provided 100 raincoats to NPP supporters at Wa in the Upper West region. In another report, the CDD noted NPP youth (also in the Upper West region) were given "pocket money" from Assembly coffers in order to "escort" the President on an official visit during the 2004 elections (CDD 2004b:4). Other scenarios pointed to the fact that the NPP abused its incumbent position through the powerful role of the DCE and turned official events into campaign rallies (Ibid.).²⁶⁶

Interestingly, the role played in elections by the purportedly 'non-partisan' DCE was recently called in to question by a leading NPP member, Felix Owusu-Adjapong. In mid 2007, Owusu-Adjapong resigned his position as a cabinet Minister and Majority Leader in Parliament to contest the party's presidential nomination.²⁶⁷ Perhaps sensing defeat, he cautioned DCEs not to meddle in the party's politics. The warning, he added, had become necessary because some DCEs had overstepped their authority and thus noted: "DCEs have no role to play when it comes to [the] NPP, indeed they are the grandchildren of the Party and the President is the son" (*The Statesman*, 2 November 2007). The underlining purpose of the message owed more to the fact that district heads, who command grassroots authority, were perceived to be influencing the selection process of delegates who elect the party's presidential nominee. Interpreting his statement in the Ghanaian socio-cultural context, this was a proverbial expression that little children need to stay away from adult matters. Overall, besides confirming the widely held view of the partisan role of DCEs, Owusu-Adjapong's case also demonstrates the selective approach of political leaders in exploiting DCEs and DAs.

²⁶⁶ President Kufuor dismissed 12 DCEs in November 2007, yet the *Daily Guide*, which is closely linked to the NPP, reported that the motive was not corruption. The newspaper claimed the underlying objective for the dismissals were to replace these district heads with individuals who could provide rejuvenation for the President's last year in office and create a conducive political environment for the 2008 general elections (*Daily Guide*, 19 November 2007).

²⁶⁷ The nomination was for the 2008 presidential elections, as Kufuor had served the two-term limit.

Evidence of the politicized position of the DCE and abuse of power is captured in the case of Daniel Kwaku Eworyi. Eworyi stood as a parliamentary candidate on the NPP ticket during the 2000 elections for the South Tongu constituency seat in the Volta region. This region is an NDC stronghold and, predictably, Eworyi lost the election gaining only 2.2 percent of the votes cast. President Kufuor next appointed him as the DCE for the South Tongu District. In 2003, DCE Eworyi courted national attention after suspending some roadside hawkers from five days of trading on the charge of "disrespecting the President" (CDD 2003:11). The traders, it was alleged, had booed President Kufuor's convoy which had passed through the district in August 2003. The suspension order exercised by the DCE was outside his remit and, to all intents and purposes, the action appeared to be politically motivated.

More recently politicization of the decentralization process has also been played out in another trend – the creation of new Assemblies. During his term in office, President Kufuor added to the 110 districts he inherited by creating 59 new DAs - an increase of about 50 percent. The establishment of new districts often drew heavy public criticism given that the motives were sometimes purely political as new DAs, not least, provided the opportunity to make patronage appointments. Ghana shares similarities with Uganda in this area of local government manoeuvring by incumbents. Indeed, the Ugandan government has also created new districts which appear not to be based on feasibility - population and economic sustainability - but are rather politically motivated (Steffenson, 2006). Further, in the Ugandan case where a non-party political system is also maintained at the local level, heads of local government units are similarly government appointed and overall accountability at this level appears to be constrained (Hickey, 2003).

On the whole, instances such as those detailed in the above examples have provoked wide debate on the accountability of DCEs and Assembly members. Kwamena Ahwoi, a Local Government Minister during the Rawlings era, argues that DAs have the power to remove DCEs from office; as a result, he has questioned the customary petitions made to the President to sack DCEs (GNA, 14 December 2006). On the part of the Kufuor government, senior officials such as Yaw Asamoah admit the accountability deficit at the district level. Yet the traditional system, which many at the rural district level rely on, is cited as a contributory factor. Asamoah stresses the public education of citizens on their rights will help in bringing officials to account.²⁶⁸ In reality, both arguments have shortfalls.

Ahwoi is correct on the legal power of DAs to remove DCEs but fails to consider this argument in the context of DA composition. Article 243 (3) of the Ghana's 1992 Constitution spells out that, for an incumbent DCE to be removed, a vote of no confidence is required.

²⁶⁸ Structured interview with Yaw Asamoah, Programme Officer at the National Governance Programme (NGP), Accra. 24 May 2004. Asamoah previously served as the head of Ghana Integrity Initiative (GII), Transparency International's local branch.

The vote must be supported by at least two-thirds of all the DA members. With government appointed members forming a third of an Assembly (a coalition usually siding with the DCE) in practice this is difficult; passing a vote of confidence will require the support of practically all the elected members. The Constitution alternatively gives the President power to simply rescind the appointment of a DCE. This explains why, for the most part, it has remained the prerogative of incumbent governments to dismiss DCEs.

Holding errant Assembly members to account is no different. This partly lies in the fact that the 1992 Constitution, which outlines the procedure to recall an Assembly member, sets a high bar that appears practically unattainable. To begin the process of recall, at least 25 percent of registered voters in an electoral area must first petition the District Electoral Committee (DEC). The reasons outlined in the petition are next assessed by the DEC and, if deemed valid, is put to a referendum. The referendum results are binding if there is at least a 40 percent turnout of the electorate with a 60 percent majority supporting the recall. Ayee (1996:46) provides evidence to support the fact that, despite a strong level of disapproval among citizens sampled in the Ho and Keta districts, none of the local citizens managed to "initiate action" to remove their respective DA members. Thus accountability is restricted.

5.4.2 Audit shortfalls: Complicity and enforcement

The annual audits by the Auditor-General remain the principal tool of anticorruption across Assemblies. The significance of district level finances is reflected in the fact that out of the seven reports the Auditor-General is charged with presenting to Parliament two are related to DAs. One is the stand-alone report on the utilization of the common fund and the other focuses on aspects of DA management and administration. In spite of this, instances of complicity have surfaced which calls into question the integrity of the audit process. A recent example is the case of Seth Setordjie, a senior auditor at the Akuapem South DA. Between April and May 2004, Setordjie was tasked with conducting an audit of the district's use of funds from the Highly Indebted Poor Country Initiative (HIPC).²⁶⁹ The auditor is said to have uncovered fraudulent payments out of the fund amounting to ₵600 million but failed to report this to his superiors (*Daily Graphic*, 13 December 2005). Subsequent investigations, conducted by a specialised Police intelligence unit, the Bureau of National Investigations (BNI), revealed Setordjie and four other district officers had allegedly conspired to commit this crime.²⁷⁰ Such issues cast considerable doubts about the integrity of the audit process. On the other hand, the Auditor-General, upon this exposure, was swift in initiating measures to bring the accused to account.

²⁶⁹ Between 2002 and 2005, government released about ₵322 billion in HIPC funds to all DAs; this was for provision of basic infrastructure in the crucial areas of primary health care, water and sanitation (GNA, 6 December 2005).

²⁷⁰ The four other officers were: Robert Akrofi, District Finance Officer; Fred Owusu Akowuah, District Budget Officer; Alfred Lumor, District Planning Officer; and Francis Appenteng, Quantity Surveyor of the Architectural and Engineering Services Limited, a government agency. The BNI's fraud investigations are mostly based on tip-offs.

The Local Government Act, 1993 (Act 462), gives the Auditor-General strong powers to ensure accountability. These include the authority to disallow items of expenditure deemed inappropriate and surcharge officials who have authorised or incurred losses (even if by negligence). Act 462 also states that any debt certified by the Auditor-General, as due, is to be paid within 30 days and may be recoverable as a civil debt; it is the Auditor-General's certification of settlement being made that is considered as conclusive evidence in this respect.²⁷¹ Nevertheless, there are only few instances where these powers have been invoked by the Auditor-General. This has partly contributed to recurrent offences and uncollected debts owed to DAs.

Late audit reporting has also rendered the process redundant under some circumstances. This partly results from the financial constraints faced by the Auditor-General.²⁷² As an example, significant delays led to the DACF report for the period 1997-2000 being combined; this was only submitted to Parliament in 2005. In this instance, financial malpractices dating back to 1997 would not have been assessed by PAC until eight years after such incidents occurred. As earlier noted, the substantial time lag has meant that by the time of detection and/or PAC deliberations culprits may have absconded or left government employment. This consequently has an effect on accountability.

In spite of these shortfalls, the Auditor-General's independence, with respect to DA accounts, has been consistent. For instance, the audit report for 1994 detailed that the government, "in clear contravention" of the Constitution, had misapplied the common fund (Auditor-General's report DACF, 1994:10). The issue here was a cabinet decision to spend over ₦2.3 billion of the common fund to purchase 11 Mitsubishi Gallant and 99 Mitsubishi Pajero cars for all 110 DCEs.²⁷³ The Auditor-General noted that the common fund was meant to be used on projects which "originated" from Assemblies and was documented in their "approved development budgets" (Auditor-General's report on DACF, 1994:10). The Minister of Local Government disagreed with this point and provided a somewhat weak explanation that the terminology of 'approved development budget' was yet to be defined (Auditor-General's report DACF, 1994). The Auditor-General rejected this excuse and insisted the funds had been misapplied. Although there is no evidence of government complying with the request that the money be reimbursed, the autonomy of the Auditor-General was confirmed in this example.

²⁷¹ Act 462 section 122(2) grants an aggrieved person, the opportunity to petition the High Court within the 30-day period of notification relating to surcharge or disallowance of expenditure.

²⁷² Another factor has been late submission of accounts by some DAs. In the 1994 report, the Auditor-General noted that 65 districts had failed to submit accounts for auditing (Auditor-General's report DATC, 1994). As of 1996, the more acute cases, like the Bolgatanga DA in the Upper East region, had not presented accounts for almost 10 years; this dated back to the pre-Assembly era of Local Government Councils (Auditor-General's report, DATC 1996).

²⁷³ The Pajero, it must be noted, was then a must have accessory which validated the status of DCEs in districts.

5.4.3 Resource constraints

Most DAs operate on limited human and financial resources which has implications for accountability. The human resource capacity of rural Assemblies especially tends to be mediocre. Accounting personnel, where they are in place, are known to comprise sub-standard bookkeepers. This issue is acknowledged by James Nicol, the Administrator of the common fund, and based on the rationale of streamlining the accounting process of Assemblies, Nicol outlined that plans were underway to employ Higher National Diploma graduates as a “new pool” of DA accountants.²⁷⁴ The Administrator was thus optimistic that the long-term benefits of these reforms will include a substantial decrease in DA corruption. The low educational competence of Assembly members also poses a problem, as this has led to educated members dominating key Assembly debates. On this issue, Ayee (1996) provides evidence from the Ho and Keta DAs pointing to the fact that less educated members are given little recognition in Assembly proceedings.

On financial constraints, the already limited funds Assemblies receive from the DACF are further plagued by delays ranging between two to six months before quarterly payments reach DAs. As a result, Assemblies face financial difficulties which, in the past, have led to arrangements for credit that are sometimes not transparent. Part of the problem lies with the Ministry of Finance, which has not always been prompt in making the quarterly transfers to the fund administrator. IEA (2002) points to the lack of commitment by government as an explanation here. However, this is not always the case as central government is confronted with substantial problems in revenue collection. Also, delays that occur in the first quarter mostly derive from the Administrator waiting until Parliament approves the annual formula for distributing funds to DAs.²⁷⁵

5.5 Reforms: Pledges and achievements

5.5.1 Electoral pledges

Although the two main political parties - the NDC and NPP - attest to the importance of decentralized institutions, both parties have presented only few initiatives to improve DA accountability. In fact, on the part of the NDC, there have been no proposed changes to the current DA system. The NDC's 2004 election manifesto, for example, simply reiterated the party's stand on government appointing DCEs and a third of DA members.²⁷⁶ The party emphasized that the role of appointed members, such as chiefs and women, “enrich[ed] and

²⁷⁴ Unstructured interview with James Nicol, Administrator of the common fund, at the DACFA office in Accra. 5 December 2005. The Administrator's office also provides the Ministry of Local Government with a report on the effective utilization of the common fund.

²⁷⁵ In other instances, the late submission of supplementary budgets by DAs on how they will use the common fund, which must be approved before disbursement, has also been a contributory factor.

²⁷⁶ The NDC's Kwamena Ahwoi, argues in one breath that Ghanaians need to be allowed to “think and make decisions on their own rather than a central body acting on behalf of the people” (*The Statesman*, 18 September 2006). On the other hand, Ahwoi advocates for government-appointed DCEs to be maintained, due to the possibility that a national government and a DCE could be from different parties, a situation he envisages could be harmful for development (*Ibid.*).

deepen[ed] the local government system" (NDC 2004:68). The NDC, in this manifesto, also stressed its intention to maintain the non-partisan structure of the DA system.

In contrast, the NPP manifesto for the 2000 general elections indicated the party's preference for directly elected DCEs. Specifically, the manifesto stated that the "NPP disagrees with the present arrangement for the appointment and removal of District Chief Executives; ultimately, they will have to be freely elected" (NPP 2000:39). After winning the elections, the first Local Government Minister in the NPP administration, Kwadwo Baah-Wiredu, confirmed in 2001 that the election pledge will be fulfilled (GNA, 19 February 2001). By 2006 the NPP government, stopping short of admitting a U-turn, provided a cautiously vague response to this promise. In reply to a parliamentary question on electing DCEs, Stephen Asamoah-Boateng, another NPP Minister of Local Government, suggested the government intended to fulfil the promise but avoided specific timelines whilst stressing:

It is, however, important to note that there is no comprehensive report available to lead to this end [electing DCEs by the popular vote]. The debate is on and it would be appropriate to let the public understand the pros and cons (GNA, 25 July 2006).²⁷⁷

Prior to his election as President, Kufuor is also noted to have argued that the election of DCEs will "make them more responsible and accountable to the people and not to a political party" (GNA, 19 February 2001). By 2002, President Kufuor had detected another cause of DA accountability deficit. As noted in his 2002 State of the Nation Address, the President indicated DAs appeared not to value the "full scope of their powers" and were either "incapable or unwilling to demand accountability from officials who serve them at the local level" (Parliamentary Debates, 31 January 2002).

The case of Botswana, where city, district and town councils comprise councillors elected on party-political platforms, provides evidence that partisan local level elections do not have adverse effects in an African setting. Botswana and Ghana, nonetheless, share some decentralized similarities. For example, just like Ghana, the Auditor-General's reports and PAC provide the main form of anticorruption at the local level in Botswana. Also, human resource challenges in Botswana led to institutional reform measures like the establishment of a Local Government Service Management (LGSM) similar to Ghana's Local Government Service (LGS), in order to tackle a shortage of skilled personnel in local authorities. However, in terms of accountability, Ghana pales in the comparison. Audit reports are subjected to scrutiny and, significantly, local councillors are also accountable to voters. Hope (1997:79) argues the accountability of councillors to local voters in Botswana is enhanced and points to their "significant input" in policy preferences through elected councillors.

²⁷⁷ The NPP government did not initiate any known public consultations on this matter. In what appears to be a U-turn, the CDD's Emmanuel Gyimah-Boadi states a Minister in the NPP government explained to him that the appointment of DCEs was entrenched in the Constitution and as a result the party could not amend the procedure (GNA, 28 July 2008).

Further, the political independence of councillors is notable, as they're considered among the vocal critics of central government. This may be predictable given that the main opposition party, the Botswana National Front, has a strong position on various councils (Sharma, 1997).

5.5.2 Legal and institutional achievements

Reforms aimed at improving accountability at the district level have included some government led legal and institutional measures. The Financial Administration Act, 2003 (Act 654), Internal Audit Agency Act, 2003 (Act 658) and the Public Procurement Act, 2003 (Act 663), which as stated in chapter 4 are considered by the NPP as its core anticorruption contribution, were often presented by the Kufuor government as an antidote to DA irregularities. But these measures have shortfalls. Assemblies, just like many government departments, have mostly relied on annual audits by the Auditor-General to uncover misappropriations. As such, the potential benefit of the Internal Audit law for one lies in the provision of an in-house continuous audit system that improves monitoring. Despite a government announcement in 2005 about the imminent establishment of internal audit units in DAs, these are mostly not in place.

Under the Procurement Act, DCEs continue to chair the district tender committee. Nonetheless, Assembly members are no longer given a role in awarding contracts. DA-appointed professionals, with expertise in areas such as finance and law, have replaced the Assembly members. The knowledge brought on board by these professionals may prove useful, especially considering that some Assembly members lack competency. Additionally, the replacement of Assembly members limits the direct opportunity for conflict of interest. The actual implementation of the Procurement law, as noted earlier, has lagged by almost three years and its benefits are still to be determined.

The major institutional restructuring has centred on manpower at the district level. Among these are the Institute of Local Government Studies Act, 2003 (Act 647) which aims at improving the capacity of district level staff, Assembly members and non-governmental organizations working at the district level. The Institute of Local Government Studies (ILGS) was initially set up in 1999 within the Ministry of Local Government to train Assembly members and staff. The ILGS Act formalized the Institute's role under law and provided it with clearer functions.²⁷⁸ It currently has two campuses - in the capital Accra and in Tamale, located in the Northern region. Both sites offer training in different areas of economic management and planning. This stands in sharp contrast to the politically inclined training offered by groups including the CDRs at the inception of the Assembly system.

²⁷⁸ It is worth pointing out that donor support, from the World Bank and the Netherlands government, was significant in setting up the ILGS. Presently, the Institute has been granted an autonomous status allowing it to conduct commercial research and consultancy services in different areas of local governance.

The Local Government Service Act, 2003 (Act 656) was also passed with a view to strengthening the district level human resource capacity and administration, through the establishment of a Local Government Service (LGS). Prior to this law's enactment, officials of decentralized departments at the local level were civil servants on secondment. Thus, most remained accountable to their respective units in Accra in terms of career progression and discipline. As Saffu (2003) explains, the potential of missing out on career opportunities whilst out of the main centres of power, such as Accra and Kumasi, also stigmatized some district positions with career disadvantages. Few civil servants thus relished taking up this challenge.

Restructuring through the Local Government Service law incorporates decentralized departments into the DA system. As a result, all employees of decentralized government units are also staff of Assemblies and form part of the new Local Government Service (LGS).²⁷⁹ Under this new structure all Assembly employees report to the DCD, the DA civil service chief, who remains accountable to the DCE. Another rationale of this law is to streamline the conditions of service for district level staff, in order to attract skilled personnel. The LGS was only inaugurated in December 2007 and its actual contributions are yet to be ascertained.

5.6 Conclusion

Decentralization through the Assembly system has been valuable in advancing rural development. The use of the DACF as a dedicated development fund, for example, has financed local level initiatives such as roads, clinics and the supply of clean water in districts across Ghana. However, the provision of these infrastructures has also come with consequences. The evidence examined above confirms that avenues of corruption have been created through the decentralized powers in areas such as the award of contracts, procurement and revenue collection. This cuts across the entire DA structure - from junior officials engaged in areas of petty corruption such as revenue collection, to senior public office holders who engage in contract and procurement fraud. The underlying causes for these irregularities include weak controls, lax monitoring as well as the non-compliance with rules and procedures. Additionally, we also learn from the case studies presented that conflict of interest - in terms of DA members awarding themselves contracts - has remained a common practice.

One key finding from the examination carried out in this chapter is that the record of anticorruption institutions, in addressing Assembly-related irregularities, has been limited. CHRAJ and the SFO have made efforts in tackling corruption in DAs but their overall effect is

²⁷⁹ The LGS is governed by an independent council. This autonomous body works alongside the Ministry of Local Government, which occupies a monitoring role.

minimal due to their restricted presence across districts as well as resource constraints. The proximity of RCCs to districts places them in a strong position to provide a supervisory role in the monitoring and evaluation of Assembly projects and funds. Yet these regional bodies have not risen to the challenge prompting criticism of ineffectiveness. In fact RCCs have also engaged in irregularities with funds stipulated for the evaluation of Assembly finances being misapplied on some occasions and used for funeral celebrations (IEA, 2002).

Thus the principal form of anticorruption across DAs remains the Auditor-General. Audit reports on Assemblies have been instrumental in providing a wealth of detail relating to district level fraud and management malpractices. But audit recommendations have had a low enforcement record and this has contributed to recurrence of irregularities. On one hand, this partly stems from weak enforcement structures. In another respect, the lack of political will to act, due concerns of incumbents undermining their political base, has influenced inaction. In Parliament, the Auditor-General's reports have provoked mostly lengthy debates on the floor of the House. Indeed, a trawl through parliamentary records indicates the same frustrations being expressed by MPs each time reports are laid in the House. All the same, when PAC has taken action, measures have not been sufficiently robust to serve as a deterrent. Recent reforms aimed at improving accountability in Assemblies have entailed the enactment of laws but these may be insufficient due to the poor record of compliance in DAs.

As district level corruption has persisted, the accountability of DCEs, who tend to be embroiled in most corruption cases, has also come under increasing scrutiny. DCEs, as political heads of DAs, have wide powers but are mostly unaccountable to their constituents. The present system under which DCEs are appointed has implied that accountability is mainly to the appointing authority - the executive branch of government. A partisan structure at the national level, in contrast to the supposedly non-partisan Assembly system at the decentralized level, has additionally created ambiguity. These scenarios have fuelled considerable debate on the subject of directly electing DCEs. The Africa Peer Review Mechanism (APRM) 2005 Ghana country report, for instance, indicates that several stakeholders have a preference for elected DCEs.²⁸⁰ The adoption of an elected district head, however, appears unlikely in the near future. This is because the role played by appointed DCEs serves the interests of incumbents, particularly, in terms of providing the benefits of patronage and consolidating grassroots electoral support. Nonetheless, without strengthening internal oversight measures, elections, besides offering citizens the ability to vote DCEs out of office, may not bring significant improvement to district level management.

²⁸⁰ Local governance scholars such as Ayee (1996:47) also argue that DCEs, just like appointed DA members, are "not accountable to their electorate" thus undermining the claims that decentralization improves accountability.

DAs still face substantial constraints owing to the dearth of financial resources required for rural development. This has prompted stakeholders to propose an increase in the minimum threshold of the DACF from the current level of 5 percent to 7.5 percent of national revenue. Whilst such a move is understandable, the findings above imply that the issue of DA anticorruption efforts will be crucial in order to limit the risk of further corruption. Overall, the findings in this chapter suggests that, contrary to empowering the grassroots, Ghana's decentralization reforms, portrayed as 'surgery' by Rawlings, appears to have empowered public office holders at the district level and placed them in a good position to abuse their office. One significant 'complication' from this surgery has been that the accountability envisaged at the inception of the Assembly system has not materialized, as local residents have limited awareness of the role of DAs and have not managed to hold Assembly officials to account. Continuous public education may be necessary to counteract this deficit. Further, well-resourced ACAs engaged in monitoring the financial management of Assemblies are also essential. The political will to enforce recommendations made by anticorruption institutions, together with improved oversight measures, could make a far-reaching impact that limits the lethal combination of embezzlement and lack of accountability in DAs.

Chapter 6

State control and privatization: The paradox of accountability deficit in a problem and its solution

6.1 Introduction

Shortly after independence in 1957, Ghana pursued an extensive programme of establishing state-owned enterprises (SOEs) covering most areas of commerce and industry. The rationale was to facilitate economic development. Killick (1978:38) adds that Kwame Nkrumah, Ghana's first post-independence leader, maintained a "preoccupation" with state ownership as a route to economic independence and the formation of a "socialist society". Indeed, reservations about private ownership fostered the policy of state dominance in the economy. Debrah and Toroitich (2005:205) put this point well, explaining that post-colonial leaders like Nkrumah "did not trust the market" and remained convinced statism would be more effective in addressing mass poverty and deprivation. Government also filled a void through state corporations, as the incentives and private capital required for investment in certain sectors were limited. But state enterprises increasingly became tools of patronage - as opposed to "specific responses to genuine economic problems" (Hansen 1991:138).

By the mid 1960s, some SOEs had been repeatedly documented in the Auditor-General's reports as serial loss-makers and were only kept afloat by government subsidies. Hutchful (1987:27) estimates £39.8 million was invested in SOEs by the Nkrumah government, yet by 1965 losses alone stood at £15.1 million.²⁸¹ Three state enterprises - Ghana Airways, State Mining and State Farms - accounted for 90 percent these losses. Overstaffing, lack of machinery, mismanagement and corruption significantly contributed to the unprofitable nature of SOEs. The government of the National Liberation Council (NLC), which deposed the Nkrumah government in 1966, attempted to resolve some of these problems through privatization. Between 1967 and 1968, enterprises such as the State Laundry, State Bakery and State Furniture were fully privatized. Others such as the state-owned Cements Works and the State Tobacco Products Corporation saw government partner with private enterprise. However, there was strong public opposition to the NLC programme which intensified as the divestiture process gained momentum. This forced the government to withdraw the sale of the State Pharmaceutical firm to Abbott Laboratories, an American corporation.²⁸² The problems of mismanagement and inefficiency across most SOEs persisted, but successive governments failed to implement serious reforms to improve the situation. As a result, the majority of state enterprises continued to pile on debts and rely on government subventions.

²⁸¹ Hutchful (1987) considers the estimated amount invested in SOEs as understated.

²⁸² Young (1991) has argued that the NLC's privatization slowed after the Abbott controversy. The objections to this initial privatization process were rooted in the Ghanaian suspicion of foreign ownership and nationalistic sentiments.

The privatization of SOEs became part of government policy after the Provisional National Defence Council (PNDC) regime adopted the International Monetary Fund (IMF) and World Bank Structural Adjustment Programme (SAP) in April 1983.²⁸³ In Ghana, SAP was undertaken within the broad framework of an Economic Recovery Programme (ERP) aimed at reviving a precarious economy which had been in decline for almost a decade. Key aspects of this programme entailed macroeconomic, structural and institutional reforms. A floating exchange rate, trade liberalization, civil service retrenchment and the restructuring of SOEs were among the measures pursued.²⁸⁴ With reference to state enterprises, subsidies were cut and privatization was prescribed as a remedy; this strategy was aimed at reducing the burden of SOEs as most were considered unproductive, a drain on government resources and avenues of corruption.²⁸⁵ The PNDC faced objections to the privatization efforts from some of its members because this policy was in stark contrast to the populist rhetoric the regime had earlier advocated. The reformers within the PNDC won the argument and privatization was implemented, but it was referred to as 'divestiture' which has been suggested as a move aimed at appeasing those who disagreed with the policy. The PNDC's privatization process was conducted with scant oversight and this trend continued during the period under study.

This chapter examines two related issues of accountability deficit - in SOEs and the privatization process. First, Ghana Airways is presented as a case study to explore how anticorruption institutions have addressed corruption within a state enterprise. As privatization was partly to rid the state of non-performing SOEs, Ghana Airways, a perennial loss-making business, serves as an interesting case. The airline presents a contradiction to the rationale behind privatization as no meaningful reforms were implemented to turn its fortunes around. Instead, government eagerly sold off profitable and strategic SOEs. The second issue focuses on the reform process of privatization and the accountability deficit that was associated with it. The analysis here uses case studies to examine the work of the Divestiture Implementation Committee (DIC), the body charged with privatization. Ghana's privatization process, like that of other developing countries, remains essentially a political matter. The DIC case reveals that the administrative procedure of selling public corporations has been plagued with a lack of accountability, non-transparency and systemic corruption. As with the general theme of this thesis, the framework for addressing corruption, particularly, the different roles played by anticorruption agencies (ACAs) are examined. Overall, this chapter will outline that:

²⁸³ The PNDC approached the Bretton Woods institutions as a last resort measure to address the economic crisis.

²⁸⁴ An early priority was also removing ghost names from the CMB payroll.

²⁸⁵ Gyimah-Boadi (1991:197) notes that, prior to SAP, debts owed by only 18 SOEs to the government was about \$40 billion, with an additional \$5.2 billion debt owed to other state institutions.

(1) The lack of accountability and robust internal controls have remained at the core of corporate governance in SOEs, despite protestations of 'good governance' in the Fourth Republic.

(2) The role of ACAs in tackling SOE and divestiture related corruption has been limited. Action has mostly been taken in a post-mortem form. The lack of political will to hold culprits accountable, in spite of widespread corruption, has played a major part.

The next section presents the Ghana Airways case.

6.2 Ghana Airways: Unfastening the accountability belt

For years it [Ghana Airways] has been sitting on \$160 million of debts thanks to ongoing mismanagement and corruption...the company, bloated with 1,500 employees, many of them unproductive, has more drivers than vehicles and more secretaries than typewriters, let alone computers.

Spaeth (2003:24).

6.2.1 Background

Ghana Airways (Ghanair) was established in July 1958 as one of the first state enterprises by the post-colonial Nkrumah government.²⁸⁶ Its difficulties started soon after going into business with debts mounting early in the 1960s. Various explanations have been offered for this. Cummings (1962:36) predicted that the initial "heavy" investment in aircraft, which stood in sharp contrast to the volume of Ghanair's operations, would lead to "considerable losses". Despite the coherence of this assessment, it must be noted that the debts from capital investments were mostly underwritten by government, hence posing no losses on Ghanair's books. Hutchful (1987) clarifies that Ghana Airways losses, in the early 1960s, were due to flying uneconomic routes which was aimed at improving travel and communication between African countries. This argument is somewhat accurate. The notion of African nationalism and self-determination were underpinning factors for these unprofitable undertakings.²⁸⁷ However, this explanation does not hold for subsequent losses, as the airline's operations were later scaled down and it plied profitable routes between Europe, North America and Ghana.²⁸⁸

Government contributed directly to the Ghanair's problems. As far back as 1961, the Auditor-General's report detailed government departments that owed the airline excessively large amounts. The Office of the President and the Ghana Army were cited as some of the worst offenders (Auditor-General's report, 1961). This pattern was repeated in the decades that followed. Ghanair faced other problems. Spaeth (2003), as quoted above, succinctly

²⁸⁶ Prior to its establishment, the West African Airways Corporation (WAAC) served as the airline of the British colonies of Gold Coast, Nigeria, Sierra Leone and Gambia.

²⁸⁷ The British Overseas Airways Corporation (BOAC) operated a joint venture with Ghanair from 1958 with BOAC flying the Accra-London route. Cummings (1962:36) notes that this arrangement mostly "covered the losses on Ghanair's internal routes". Perhaps under the notion of 'self-determination', this agreement was terminated in 1961.

²⁸⁸ Ghanair flew direct long-haul flights between New York, Baltimore, Rome, London, Düsseldorf and Accra. On the West African coast, it served Abidjan, Lagos, Dakar, Freetown, Banjul and Conakry.

captures the overstaffing at Ghanair which stemmed from patronage and posed a considerable drain on the airline's expenses. In fact the Auditor-General repeatedly noted in audit reports that Ghanair's difficulties were rooted in nepotism, poor internal controls and rampant corruption. These issues were left unchecked. The staggering abuse of a free ticket scheme, for Ghanair employees and their families, together with the unaccounted sale of tickets by accounts personnel, makes it tempting to conclude that the airline was run like a charitable trust but lacking accountability.²⁸⁹

The record shows that all post-independence governments, including the NDC and NPP administrations in the era of 'good governance' and anticorruption, failed to address the core issue of mismanagement, weak oversight and corruption at the airline. This was coupled with resisting privatization attempts, despite the official line of supporting such reforms. For example, the PNDC in 1992 hinted at the 'imminent' privatization of Ghanair (*The Ghanaian Chronicle*, 10 August 1992). This did not materialize. Edward Salia, the NDC Minister for Roads and Transport in 1998, again, expressed government's intention to privatize the airline "by the end of 1999" but no action was taken (*The Ghanaian Chronicle*, 13 March 1998). The diagnosis for Ghana Airways' troubles was known to all and President Kufuor outlined this in his State of the Nation address to Parliament in 2002:

[Y]ears of reckless mismanagement has left the airline in a most precarious state. Any time Ghana Airways flies, even when fully booked, it makes losses and runs the risk of the plane being seized by one or other of its many creditors (Parliamentary Debates, 31 January 2002).

The political will to implement reforms, however, was absent. The fact that free 'official' tickets were issued to senior government officials provides an insight into the incentive of maintaining the airline's state-owned status. As will be shown, government also used Ghanair appointments as a source of patronage and it provided rent-seeking opportunities for individuals affiliated with any party in office.

The mismanagement coupled with a lack of meaningful reforms led to complex liquidity problems. Debts accumulated as Ghanair relied on loans to operate and by 1997, its liabilities exceeded assets by ₵17.9 billion (US\$8.8 million). From early 2000, the airline struggled to meet interest payments yet government refused to offer a bail-out having done so on previous occasions. Since Ghanair had been turned into a limited liability company in 1968, its debts carried no government guarantee. Various Ghanaian financial institutions offered the airline loans at steep rates using its prized real estate as collateral. This allowed Ghanair to remain just on the brink of collapse until foreign creditors, unwilling to tolerate default on repayment any longer, seized some of its planes in 2004. This was the scenario Kufuor predicted. In late 2004, Ghana Airways became bankrupt and collapsed with a total

²⁸⁹ Board members were granted up to eight free tickets each year (*The Ghanaian Chronicle*, 2 May 2001).

estimated debt of US\$170 million - then approximately 1.6 percent of Ghana's GDP (Chivakul and York, 2006:33).²⁹⁰

Using case studies, the subsequent sections will analyze some of the irregularities which contributed to Ghanair's collapse. It will be demonstrated that corruption encompassed both high-level and low-level employees who exploited the lack of effective controls. The maladministration and continuous interference by government, together with the role of patronage, will also be highlighted. These issues will be examined within the context of action and inaction by ACAs.

6.2.2 The untouchable: Our woman in Banjul

The lack of proper controls at Ghanair offices, particularly those abroad, remained a common feature in the Auditor-General's reports. A special internal audit, commissioned by an interim Ghanair management team, Speedwing, revealed widespread embezzlement at the station in Banjul, The Gambia. A significant amount of the evidence from the audit findings pointed to a previous station manager, Dyls Koney, as responsible for discrepancies uncovered. Koney, the wife of an NDC branch chairman, served as head of the Banjul station from November 1990 to November 1995 and, at the same time, doubled as Ghana's honorary consul in the country. The findings of the audit, contained in the Sykes report of 1996, provided an insight into how weak controls enabled fraud. Hotel expense claims for both crew and passengers had been varied and inflated. For example, investigations into excessive costs for passenger hotel expenses, owing to a cancelled Ghanair flight (GH560) on 15 July 1995, revealed misapplication of funds. The Banjul office made claims that 44 passengers had been accommodated at the Sunwing Hotel at a cost of Gambian Dalasi (D) 25,960; the Atlantic Hotel had also been paid D33,052 for 49 passengers (Sykes report, 1996).²⁹¹ Investigations uncovered that no passengers had lodged at Sunwing. The amount was paid to the hotel to cover the cost of a reception Koney hosted for Ghanaian residents in Banjul. Fraud was also uncovered in the area of travel claims. The audit noted a petty cash voucher (PCV) 95/590 submitted for D14,160, as transportation expenses for passengers on a cancelled flight, was fraudulent. A contradictory account was provided by traffic assistants who certified that the actual expense was D1,500. The evidence indicated Koney was responsible for the fraudulent claim.

Other irregularities included the fact that taxes collected - totalling about US\$9,800 and covering almost a year - had not been accounted for (Sykes report, 1996). Additionally, a power generator purchased by Ghanair, for the official residence of the manager in Banjul,

²⁹⁰ Some of Ghanair's debts were owed to state institutions such as Bank of Ghana and Ports and Harbours Authority.

²⁹¹ In terms of internal controls covering the claims submitted, the official receipts from the hotels were not included and claims were also lodged without passenger lists and arrival/ departure dates.

could not be presented for audit. Koney is said to have shipped it to her home in Ghana with an intricate cover-up to obscure this fraudulent acquisition. The purchase was inaccurately presented as rental payment for the generator. Overall, it is estimated that about ₵108 million (US\$67,000) was unaccounted for under Koney's management (Ogbamey, 1998b).

The above findings were not pursued by Ghanair or any anticorruption institution. Koney's links with the then ruling NDC may have played some part. Instead, Koney was rewarded with a more high profile appointment in 1996 to head Ghanair's North and South America office, located in New York, where her husband was chairman of the local NDC branch (Ogbamey, 1998a).²⁹² Koney's appointment was without the approval of Speedwing, the interim Ghanair management, but on the recommendation of senior government officials including Nana Ato Dadzie, then Chief of Staff at the presidency and Edward Salia, the Transport Minister, who was also the Ghana Airways board chairman (Ogbamey, 1998b). On the whole, a combination of weak controls, patronage and the lack of political will led to an accountability deficit.

6.2.3 Selling the crown's jewel

Ghanair's troubles were also compounded by the fact that government stripped off its lucrative units under the pretext of privatization. The Aviation Handling Company was a subsidiary of Ghana Airways which carried out all ground operations at the Ghana's Kotoka International Airport. It was the most profitable part of the airline and its revenue partly covered losses in other areas of Ghanair's business. Although the NDC government had promised to privatize the entire airline, the Ghana Civil Aviation Authority (a government agency under the Ministry of Transport) put out a tender to divest only this outfit. Pursuant to a call for tenders, a discontented Ghana Airways put in a bid and won based on its submission. This was nonetheless cancelled without any explanation and a second tender invitation was advertised locally and internationally (Ghana Airways, 1994). Due to barriers, which appeared deliberate, bid documents were unavailable for sale in Ghana. Ghanair argues that it only managed to secure these documents after sending a courier to purchase them in Hamburg, Germany (Ghana Airways, 1994).

Experience in a particular line of business remains a central tenet in the divestiture process. However, bids from Ghana Airways and others with a proven track record were turned down. The business was sold to Eitouni, a little known Belgian-based fruit importing company. The private media made various allegations that Eitouni was owned by a Lebanese businessman who had funded the NDC's 1992 election campaign (Safo, 1994). To add a further twist to the tale, after the transaction was concluded, Eitouni promptly sold the aviation handling unit to a more experienced consortium, which ran the business under the name of African

²⁹² Ogbamey (1998a) does not clarify exactly when Koney's husband became the NDC chairman in New York.

Ground Operations (AFGO).²⁹³ This consortium consisted of Intercontinental Container Transport Corporation (ICTC), Gatwick Handling Limited and Marwan Traboulsi, a Lebanese businessman and close associate of the then President, Jerry Rawlings. Despite the widespread disapproval of Ghanair employees, about the sale/re-sale as suspicious, the deal went ahead. The process, as the evidence suggests, was not transparent. Further questions about the above transaction also emerged due to inconsistencies. Privatization was the duty of the Divestiture Implementation Committee (DIC), the body set up to oversee the process, but this outfit had no role. The DIC failed to offer any meaningful explanation only noting that it was an “extraordinary distinction” for the cargo handling deal to be carried out by the Ministry of Transport (*Business Chronicle*, 26 August 1996).

There were no immediate investigations into this matter. The Parliamentary Committee on State Enterprises also did not question the deal. The fact that 189 out of the then 200 Members of Parliament were from the NDC cannot be entirely dismissed as an explanation for the inaction. In a post-regime accountability move, the SFO conducted investigations into the transactions after the NPP took office in 2001. It reported that proper procedures had not been followed and expressed doubts about the takeover arrangements, given the lack of a supporting contract (SFO, 2002). The available evidence indicates that, to date, no one has been indicted in connection with this deal.

This case shares similarities with the privatization of ground-handling operations at Uganda's Entebbe Airport, which was mired in corruption. The state-owned Ugandan Airlines Corporation (UAC), like Ghanair, held a monopoly in this profitable area. On privatizing ground-handling operations, UAC initially became a partner in Entebbe Handling Services Limited (ENHAS), the consortium that took over this business but later sold its stake to the principal shareholders (Tangri and Mwenda, 2001). The major partners in the consortium included companies owned by Salim Saleh, the brother of Ugandan President Yoweri Museveni, and Sam Kutesa, the brother-in-law of President Museveni.²⁹⁴ Kutesa was also Minister of State for Investment and Planning as well as board chairman of ENHAS.

In contrast to the Ghanair case, these transactions prompted an investigation by a parliamentary select committee. A damning conclusion was made by the committee, which confirmed the privatization of ground-handling operations had been “manipulated and taken advantage of by a few politically powerful people who sacrificed the people's interests” (Tangri and Mwenda, 2001:124). The committee further recommended that Kutesa, the Minister, be sacked for abuse of office. As this was not forthcoming, Parliament passed a motion of censure. Kutesa was finally dropped in a subsequent cabinet reshuffle but neither

²⁹³ In May 2004, AFGO became Aviance Ghana Limited.

²⁹⁴ The companies associated with Saleh and Kutesa are Effortes and Global Airlinks respectively.

he nor Saleh faced prosecution. In this respect, the Ugandan anticorruption mechanism appeared to have achieved partial results.

6.2.4 The Anane conundrum: Guilty but irrelevant?

In early 2005, sections of the private media published allegations that Richard Anane, then the NPP's Transport Minister, had given state funds to his American mistress, Alexandra O'Brien. The money was said to be for the upkeep of a child from the affair. CHRAJ - acting on its own initiative - began preliminary investigations into the claims in response to the extensive media coverage and public interest.²⁹⁵ Based on the evidence gathered, CHRAJ, in early 2006, charged Anane, also the NPP Member of Parliament (MP) for Nhyiaeso in the Ashanti region, with corruption, conflict of interest and abuse of power. Ghana Airways featured in two parts of this case. The first was in relation to an alleged cash payment from a Ghanair office, and the other was with respect to a free ticket issued by the airline.

O'Brien testified before CHRAJ that between 2001 and 2004 she received about US\$100,000 from Anane - directly and indirectly. Anane, on the other hand, told CHRAJ the remittances made by him to O'Brien totalled approximately US\$30,000 with Mercy Anane, his wife, providing US\$16,000 of this amount. It is worth pointing out that the total admitted before CHRAJ was inconsistent with an earlier statement to Parliament by Anane. During vetting for the transport portfolio in 2005, Anane told the Parliamentary Appointments Committee, under oath, that he only remitted O'Brien a total of US\$10,000. Going by O'Brien's testimony, some US\$70,000 remained unaccounted for. The explanation for this was unexpectedly provided by Collins Duodu-Bonsu, special assistant to Anane at the Transport Ministry. The special assistant claimed that - without Anane's consent - he supported O'Brien with remittances amounting to about US\$72,300 which was mostly from his credit cards (CHRAJ, 2006b). The reason for this action was given as friendship with the Minister. Even though the Commission could not contradict the special assistant it expressed doubts about the claim. CHRAJ noted Duodu-Bonsu had remitted his own teenage daughter, living in the United States, only US\$5,000 over the same period. (CHRAJ 2006b:32). This stood in sharp contrast with the gift to O'Brien of which Anane was apparently unaware. Overall, adding up the admitted amounts by the Minister and his special assistant, O'Brien's estimate of US\$100,000 appeared accurate.

Having established the total amount remitted, further discrepancies surrounded the way payments were made. O'Brien explained the mode of transfers varied. In one instance, she claimed Anane asked her to collect US\$10,000 from the Ghana Airways office in Baltimore, Maryland. O'Brien detailed how she was directed to a back office where a Ghanair

²⁹⁵ No formal complaint was made - by a third party - to CHRAJ in the Anane case. At the start of hearings in 2006, CHRAJ clarified it was not attempting to pass moral judgement on the Minister concerning the extramarital affair.

employee, named Eric, counted and handed her cash from the office safe (CHRAJ 2006b:6). Anane denied knowledge of this. But CHRAJ ruled that it was implausible for Anane to distance himself from this claim by O'Brien (CHRAJ 2006b).²⁹⁶ Despite the Commission's suspicions it concluded Anane could not be charged with corruption, in relation to the Ghanair payment, as no concrete proof existed which confirmed state resources had been used.

The second charge against Anane was straightforward. A free Ghana Airways ticket had been issued to O'Brien on the false basis that she was the Transport Minister's wife. O'Brien did not use this ticket for travel and attempted to claim a cash refund. In a rare instance of scrupulousness, Ghanair denied the request for a refund and no loss to the state was incurred. CHRAJ, nonetheless, focused on how O'Brien had received a free ticket and ruled it was "more probable than not" that Anane had caused this to be issued (CHRAJ 2006b:28).

The above together with other charges of conflict of interest, unrelated to Ghana Airways, resulted in CHRAJ finding Anane culpable for abusing his office and misleading Parliament. The Commission recommended his removal from office by the President and an apology to the House. President Kufuor failed to act. Cynics argued that the President lacked moral authority to dismiss Anane, as he was then reeling under similar accusations of abuse of office and an extramarital affair with Gizelle Yazji, an Arab-American.²⁹⁷ A strong public outcry and pressure, allegedly, from a faction within the NPP itself compelled Anane to resign his ministerial position. CHRAJ claimed victory for forcing an incumbent Minister out of office. In spite of the fact that Anane had committed perjury, by giving Parliament a different account under oath, no action was taken against him and no apology was made to the House.

CHRAJ's handling of the Anane saga significantly affected its anticorruption mandate. The Minister's lawyers had objected to the Commission's hearings from the start. The core argument made was on the legal technicality that CHRAJ did not have jurisdiction, given the absence of a formal complaint filed by a third party. Raymond Archer, editor of *The Enquirer*, a private newspaper that carried the allegations against the Minister, submitted a statement to CHRAJ. But counsel for Anane indicated that was done after the investigations began and the statement "had been 'coercively' sought when he [Archer] was impressed upon" by the Commission (*Daily Graphic*, 13 February 2006). Additionally, Anane's counsel pointed out that no procedure existed for the Commission to initiate its own investigations. CHRAJ overruled these objections stating it had the mandate and powers to institute investigations

²⁹⁶ Besides the denial, Anane testified that he did not find it important to ascertain the accuracy of the Ghana Airways payment when the story was published in the media.

²⁹⁷ This affair came to light in the wake of the 'hotel Kufuor' case which was discussed in chapter 3.

on its initiative under article 218 (e) of the Constitution.²⁹⁸ CHRAJ argued that “it would defeat the purpose and intent of the Constitution if the Commission was to sit idly by, waiting for complaints whilst allegations have been made in the media and thus constitute notice to the entire world” (CHRAJ 2006b:12).

Anane appealed the Commission's ruling at an Accra High Court based on the above argument of CHRAJ's 'jurisdiction' but, interestingly, not the findings. In a strange twist, CHRAJ's ruling was overturned in March 2007. In declaring the CHRAJ ruling 'null and void', the trial judge emphasized the Commission did not have the mandate to conduct the investigations against the Minister. The judge outlined this was because a petition - from an identifiable complainant - had not been filed. The court added that CHRAJ was simply "stretching its tentacles to look for complaints to investigate" an action it deemed a "recipe for chaos" (GNA, 13 March 2007). The court also ruled CHRAJ had no constitutional mandate to investigate perjury and hence could not ask Anane to make an apology to Parliament for misleading the Parliamentary Appointments Committee.

CHRAJ challenged the decision of the High Court by petitioning the Supreme Court for an interpretation of its jurisdiction as stated in the Constitution. In October 2007, the Supreme Court upheld the High Court's ruling, but criticized the trial judge for interpreting the Constitution as that was outside the High Court's remit. With the findings against him made irrelevant, Anane's supporters demanded an apology from CHRAJ and his reinstatement as a Minister. In December 2007, the Supreme Court made the final judgement for dismissing CHRAJ's petition. The court provided the interpretation that the Constitution required a complaint from an identifiable person or body before CHRAJ could conduct corruption investigations (GNA, 21 December 2007). Indeed, the Supreme Court's decision was consistent with its previous rulings which usually favoured the NPP. This landmark decision effectively restricted the anticorruption mandate of CHRAJ.

Anane was brief about his 'acquittal' and only remarked that the judgement had “freed him from hell” (*Daily Graphic*, 29 December 2007). CHRAJ's acting Commissioner, Anna Bossman, expressed her frustration about the turn of events and partly blamed Parliament. She noted in a radio interview that, “if the House had done its work well, Dr. Anane could not have passed through the vetting committee [in 2005] to become a Minister” (*Joy FM*, 14 February 2008). Bossman maintained CHRAJ would re-open the case once it received a formal complaint. President Kufuor nominated Anane, again, as Transport Minister. In fact no substantive replacement was made to that Ministry after Anane's resignation. Parliament failed to take any action and confirmed the appointment. Kufuor pointed out at Anane's

²⁹⁸ CHRAJ referenced the 'hotel Kufuor' investigations as a case in point where it acted on its initiative (CHRAJ, 2006b).

swearing-in ceremony as Minister that “we should not lose talents and good people on the basis of unproven perceptions” (GNA, 11 March 2008). By this statement the President had gone a step further, than the courts, to essentially dismiss CHRAJ’s findings. This case provides, once more, an example of how ACAs are dependent on the political will of incumbents in order to ensure accountability.

6.2.5 The three-man syndicate

Fraud was also committed by low level Ghana Airways staff. In 2001 the SFO, acting on a tip-off, uncovered a scheme that was used to defraud Ghanair at the airline’s Accra headquarters. On investigating, the SFO exposed a three-person syndicate involving Isaac Lawson, a Ghanair cashier in-charge of ticket sales, who had colluded with two other individuals in the private sector - Asafo Adjei, a travel agent with Antrak Travels, and Alhaji Omar Adams, a foreign exchange dealer/ owner of Chase Forex Bureaux. The fraud had been perpetrated through the manipulation of financial instruments. Cash from Ghana Airways’ ticket sales, purchased in US dollars, was passed on by the Ghanair cashier, Lawson, to the foreign exchange dealer, Adams. The forex dealer substituted the cash for personal and travellers’ cheques, which were all drawn on foreign banks. Adjei served as a conduit in this scheme, collecting the cash from Lawson to give to Adams. In return, Lawson and Adjei received a 10 percent commission, on the amount exchanged at any point, to be shared between themselves. The SFO determined that US\$83,185.40 of Ghana Airways cash had been transferred to Adams when this scheme was uncovered.

The main issue was that on depositing the cheques issued by Adams, in Ghanair’s accounts, they were consistently returned unpaid.²⁹⁹ Although the Ghanair cashier directed some of the returned cheques back to Adams, the new cheques issued to offset these payments suffered the same fate. In spite of numerous unpaid cheques, the Ghanair accounts office, which has supervisory control over the cashier, failed to question these transactions or institute preventative measures. The SFO’s lead investigator, Emmanuel Osei Wusu, suspected connivance as Ghanair’s internal auditors also failed to detect this scheme.³⁰⁰ On interrogation, the cashier confessed to engaging in this syndicate to meet his personal “commitments” and emphasized no other Ghanair employee was involved.³⁰¹ This confession complicated the SFO’s efforts to press charges of conspiracy against other staff. In view of the evidence, Adams and Adjei also admitted the offences in the above scheme.

²⁹⁹ The Ghanair cash book and some returned cheques were seen by this author. These included Chevy Chase and American Express cheques stamped “return to maker- account not found”. One cheque dated 6 August 2001 was in the amount of US\$18,567.50. This had been forged under an issuer named *Mindspeed™ Conexant Business*.

³⁰⁰ Unstructured interview with Emmanuel Osei Wusu, at the SFO head office in Accra. 31 January 2006.

³⁰¹ Ibid.

The above case, while appearing straightforward due to the admission of guilt, reveals some of the bottlenecks in the anticorruption process. Investigations were completed in 2001, however, authorisation from the Attorney-General, to allow the SFO to prosecute, was granted in 2006. The suspects had absconded by this time and could not be traced. Osei-Wusu explained they reported to the SFO at short intervals, but this was later extended to a monthly schedule owing to the long delay associated with the prosecution permit. The SFO lead investigator noted that "after sometime" they failed to report and no one followed-up.³⁰² It may not be sceptical to conclude the SFO officials may have lost interest given the considerable time-lag and, perhaps, the rank of those involved - the so-called 'small-fish'. Due to the absence of the culprits, the only penalty meted out has been the withdrawal of Chase Forex Bureau's license to deal in foreign exchange. This scenario is not isolated. The SFO has similarly been unable to bring suspects in other Ghanair corruption cases to account. For example, another ticket office employee, B.B. Tomfeh, who embezzled US\$80,000 absconded and as a result the case could not be pursued (SFO 2001:38). Instituting stiff penalties can be a deterrent in the anticorruption process. However, as the case studies discussed indicate, ACAs in Ghana are yet to become proficient in this area. In general, these examples underline weak internal controls contributed to Ghanair's losses, through fraud, and also highlight the obstacles encountered by ACAs when accountability attempts are made.

Besides the efforts of anticorruption institutions, a few initiatives were carried out by both Ghana Airways management and government to counter mounting debt and mismanagement. The next section outlines some of the notable attempts at reforms and assesses why these failed to address the problem of accountability the airline faced.

6.2.6 Navigating a route out of turbulence: Between tinkering and divine intervention

Ghana Airways failed to undertake serious long-term restructuring. Reforms were often short-term and restricted to dismissing the board of directors and management. Consequently, over the 46 years of Ghanair's existence, it had about 31 chief executives. The continuous change of management, often promising to rescue the airline, did little to provide stability and continuity of reforms. A serious departure from this approach was made in July 1995 when the NDC government enlisted the services of Speedwing, a prominent management consultancy then owned by British Airways. The consultants were given a two-year contract to assist the airline and prepare it for privatization. But widespread differences quickly emerged between the consultants and government. Persistent government interference was one of the issues and the agreement was terminated in 1996.

³⁰² Ibid.

This appears to have been a lost opportunity. Speedwing had a proven track record of turning around similar situations, but only with the necessary political support and less government meddling. Evidence from Kenya supports this point. In fact parallels between Ghanaair and Kenya Airways, prior to the latter's restructuring, are striking. The Kenyan airline had similarly been plagued by mismanagement, huge debts, an overstaffed payroll, government interference and a reputation for delays - just like Ghanaair. One of the key differences lay in the fact that Kenya Airways, although established almost 20 years after the Ghanaian airline, had already been rescued from bankruptcy several times. As of 1992, it owed the government Kenyan Shilling (Ksh) 1.6 billion and an additional Ksh 45 billion to external lenders (*Daily Nation* cited in Debrah and Toroitch, 2005: 213).³⁰³

A Kenyan government probe in 1992 recommended the end of state ownership in order to enhance, among other factors, accountability and economic efficiency. The government appointed Speedwing to implement these findings and prepare the airline for privatization. The key difference with Ghana lay in the fact that the consultants were given full authority to restructure operations (Debrah and Toroitch, 2005). Strict financial controls and politically sensitive decisions such as job cuts were pursued. The employee payroll, for example, was reduced from 4,000 in 1991 to 2,000 by 1996. By 1994, the airline had started reporting profits. The World Bank advised on privatization, which was conducted through an open tender and resulted in the Royal Dutch Airlines (KLM) being sold a 26 percent stake as a strategic partner in 1996.³⁰⁴ The majority of the remaining shares were floated on the Nairobi Stock Exchange. The airline's staff also acquired shares through an employee ownership scheme (Debrah and Toroitch, 2005). For a country with a reputation for political corruption, Kenya's results were remarkable in light of the transparent manner in which the process was conducted. The Kenyan government had demonstrated the political will to privatize and, more importantly, ensure its success (Debrah and Toroitch, 2005). These were absent in Ghana.

After assuming office in 2001, the NPP government pledged to restructure Ghana Airways and appointed Sam Jonah as the airline's chairman. This appointment brought a glimmer of hope because of Jonah's extensive expertise in business. As chief executive of the mining conglomerate, Ashanti Goldfields, he had successfully overseen the mine's transformation from state ownership into a private entity.³⁰⁵ Jonah clearly had an idea of what needed to be done. He bluntly noted the airline was overstaffed and warned there were no "soft options"

³⁰³ Debrah and Toroitch (2005) provide an exchange rate of 1 US dollar= 71.94 Ksh as of May 2003. Based on these rates, Kenya Air's government and external debts were about US\$22.2 million and US\$ 625.5 million respectively.

³⁰⁴ The World Bank advised the Kenyan government to cover the airlines debts at the start of the privatization. By 2001, this amount had been recouped through the sale of shares, dividend payments and taxes to government (Wahome, 2001 cited in Debrah and Toroitch, 2005).

³⁰⁵ During his tenure as chairman, Jonah declined the ticket privileges awarded to board members and is said have donated his board allowance to the Ghana Airways Workers Union (*The Ghanaian Chronicle*, 2 May 2001).

(Ansah, 2002:18).³⁰⁶ Similar to the Kenyan restructuring plan, the Jonah-led board held negotiations with some private aviation companies and submitted partnership plans to government. Barring this, the board also put forward an alternative proposal for government to convert an US\$80 million debt into equity; essentially, this was another form of privatization. Government was unresponsive to both suggestions. Without any progress of reforms, Jonah resigned in July 2003 under the pretext of Ashanti Goldfields tasks taking up more of his time than anticipated. It was however public knowledge he had become increasingly frustrated. Despite the promise of measures to improve Ghanair, which Kufuor had referred to as a "national asset", no significant action was taken (Parliamentary Debates, 31 January 2002).³⁰⁷ The lack of political will to institute reforms and continuous government interference in the airline's management persisted.

Steeped in crisis, but with restructuring not imminent, Ghanair edged closer than in the past to the brink of collapse in 2003. The airline's management and staff decided to employ their own efforts at finding solutions to Ghana Airways' crisis - a special prayer session was organized. Religion remains an integral part of Ghanaian daily life and there exists a somewhat blurred separation between the Church and state. As such, this move was squarely within the Ghanaian practice of seeking divine assistance, especially, in times of crisis. The prayer service took the form of a Pentecostal 'healing and deliverance' vigil under the theme: 'Christ is the Answer'. The service was led by Lawrence Tetteh, a Ghanaian evangelist based in London, who was flown to Accra specifically for the occasion. The choice of Tetteh, head of the World Miracle Outreach (also known as the Lawrence Tetteh Ministries), was notable. Known in the high ranks of the Pentecostal movement, his services have been patronised by political elites in Ghana.³⁰⁸ The Ghanaian Pentecostal rituals of intercessory prayers, drumming and dancing were a central part of the service. An examination of the declarations made at the vigil reveals acknowledgement of the human element of Ghanair's problems, yet this was interpreted as 'human agents' of supernatural powers. In fact Asamoah-Gyadu (2005:93) has argued that the vigil was directed at "exorcizing evil spirits from the affairs of the airline". Thus the chief executive, Philip Owusu, was handed a sword by Tetteh to kill the supernatural powers inhibiting the airline's success (Ibid.).

³⁰⁶ Jonah detailed that with its "five aircraft and 1,407 staff, Ghanair had a high staff-aircraft ratio of 282, compared to 199 at Dutch carrier, KLM, and 167 at British Airways" (Ansah, 2002:18). There was nothing new in this observation. Almost ten years earlier, Emmanuel Boohene, a previous Ghanair Managing Director, had similarly remarked that the airline employed about 1,000 "unnecessary workers" and demanded cuts in staff numbers to stem losses (*West Africa*, 19 April 1993:666). The board later requested his removal by the government due to disagreements.

³⁰⁷ Ironically at a time when Ghana Airways was being referred to as a national asset, financially, it remained an enormous liability in government's books.

³⁰⁸ Tetteh's services have been employed by many other groups as well. These include the University of Ghana (Legon) Students Representative Council who sought his divine assistance in the 2002/2003 academic year when the university faced financial difficulties and a brain drain of lecturers (Asamoah-Gyadu, 2005).

Figures 6.1 and 6.2 Pastor Tetteh attends to his flock

6.1



6.2



Source: World Miracle Outreach (Lawrence Tetteh Ministries).

Figure 6.1 shows a cross-section of a congregation at one of Lawrence Tetteh's crusades. In figure 6.2, Tetteh can be seen ministering at the 'rescue the perishing' crusade held in Ghana.

The reaction to the prayer session was mixed. Kwasi Osei-Prempeh, a senior NPP MP, noted that the Ghanaian culture of seeking divine assistance, without recourse to practical solutions, was not going to help the airline (*The Ghanaian Chronicle*, 13 June 2003). All the same, the Parliamentary Committee on State Enterprises failed to exercise any supervisory control or call for an inquiry. Parliamentarians rather called on the government to act. Other critics argued that the prayer vigil itself raised accountability issues, such as how Tetteh's airfare to Accra was funded. The answer to this was not direct, but an impression was given that it was privately funded.

Ghanair's problems had not eased by the beginning of 2004 and, once more, it sought religious help. The Catholic Church's Ghanaian Cardinal, Peter Turkson, was approached by the chief executive, Owusu. The plea this time round was less spiritual and more straightforward. Put simply, Ghanair's debts with Alitalia, the Italian state airline, had increased to US\$25 million by 2004, accruing mostly from maintenance work carried out on Ghanair's aircraft. With persistent defaults, the Italians had cancelled contracts to provide any further services until full-payment was made. Unable to borrow funds to pay its debts, the Cardinal's intervention was sought to negotiate debt cancellation (GNA, 30 January 2004). If that were to fail, the alternative plan of restructuring the debt over a five-year repayment period was also proposed.³⁰⁹ The Ghana Airways management assumed the Cardinal, through links with the Vatican, could engineer a deal. This did not happen.

Some practical help was provided by Lufthansa, the German national carrier, through 'development aid' of an unconventional kind. On the African leg of their Frankfurt-Lagos-Accra route, the German airline allocated 50 seats to Ghana Airways, which sold tickets and retained the proceeds (Spaeth, 2003). Yet this assistance, together with free training Lufthansa offered to management, was inadequate to keep Ghanair in business.

³⁰⁹ With respect to business transactions between two Ghanaian entrepreneurs, the assistance of an eminent person to intervene in difficulties is not unique. However, at the international level, this appeared to be unparalleled.

Figure 6.3 Ghanair's unorthodox methods: All hands on deck



Source: Misko Ruvadic (2007)

Ghana Airways' unusual management practices extended to its flight operations. The above picture was taken at Banjul International Airport (Yundum) in 2003 and shows a McDonnell Douglas DC-9 aircraft leased by Ghana Airways (without livery). The unusual practice here is that the plane is being pushed by passengers to the runway. Misko Ruvadic, the photographer, explains this was due to the fact that Banjul airport was then without pushbacks. Perhaps, not a welcoming pre-departure exercise for a corporation which had the slogan - 'Africa's friendly airline'.

The airline's troubles deepened as some of its aircraft were seized by creditors. In July 2004, Ghana Airways was also banned by the United States Transportation Department from flying into that country, on safety grounds, as it was operating with an expired licence. This was the first such action against an international carrier. With huge debts, aircraft banned and the only airworthy plane seized, its passengers were left stranded in Accra, London and Baltimore. President Kufuor's Chief of Staff, Kwadwo Mpiani, announced the dismissal of the Ghanair board in August 2004. Although board and management changes were customary, the directive in this instance also halted ticket sales. This was the government's strategy of handling an unwelcome distraction. Ghana Airways failed to resume operations and was subsequently liquidated.³¹⁰

Ghanair's free fall was strongly linked to decades of mismanagement, rent-seeking and other corrupt practices such as those examined above. Attempts by ACAs to bring suspects to account were nonetheless frustrated. In general, the failure to implement corrective measures precipitated its final descent into bankruptcy. To some extent, government inaction can be explained by the benefits of free travel and patronage opportunities the airline provided. But Ghanair is not the only state-owned airline to have encountered this fate. Air Afrique, the francophone West African airline, also collapsed when the 11 states which owned it refused to cover its debts of around US\$260 million in 2002. Debrah and Toroitch (2005:219) succinctly note that, besides nepotism and financial mismanagement, state-

³¹⁰ As of June 2007, US\$17.3 million had been realized from the sale of Ghanair's assets; a total of about US\$30 million is expected to be realized when all assets have been liquidated (GNA, 20 June 2007).

owned airlines like Air Afrique owe their demise to factors such as the "rent-seeking behaviour of opportunistic politicians". On the other hand, it is instructive to point out impressive success stories such as Ethiopian Airlines, another state-owned airline. The Ethiopian national carrier's success has been partly attributed to the commitment of that country's governments who have left the airline to be run as a 'commercial venture' due to valuable foreign exchange it generates (*The Economist*, 26 December 1987). The airline's competent and stable management has also been a contributory factor. It has adapted to changing market conditions by cutting overheads and is profitable. In 2002, Ethiopian Airlines reported revenues of about \$300 million and turned in a profit of \$16.3 million (Ford 2004a:33). The collapse of Air Afrique and Ghana Airways has served Ethiopian Airlines well as it has expanded its network to cover some routes of the failed airlines. The most important lesson drawn from state firms like Ethiopian Airlines is that it has operated as a 'business enterprise' devoid of the predatory patterns and political interference which blighted Ghana Airways.

In October 2004, the Ghanaian government agreed to a public-private partnership to replace Ghanair. This resulted in the formation of a new national carrier - Ghana International Airlines (GIA). The GIA arrangement was not transparent as the process by which government selected the airline's partners was shrouded in secrecy. The media resorted to speculating that President Kufuor's eldest son, John 'Chief' Kufuor, was behind the said consortium but Chief rebuffed these claims.³¹¹ Even though the younger Kufuor did not have a stake in the airline, CDD (2006) noted irregularities that included government's equity contribution in GIA being reportedly borrowed from the state pension fund without parliamentary approval.³¹²

Political interference similar to what occurred at Ghanair has engulfed GIA, despite its partnership with the private sector. In April 2006 Mpiani, Kufuor's Chief of Staff, intervened in the affairs of the new national carrier. Four GIA executives were summarily dismissed and the Chief of Staff announced the formation of an interim management board. Accounts differ on what provoked this action, but it appears disagreements had emerged between the executives and Mpiani. An ugly spectacle ensued when armed police were sent to the Accra office of the airline to enforce the dismissal directive (*Daily Graphic*, 10 April 2006). This prompted officials from the United States embassy to intervene in order to protect some American citizens who were GIA executives. To add to the drama, NPP loyalists also joined in to show solidarity with Sam Crabbe, one of the sacked executives. Crabbe, as it

³¹¹ Sam Crabbe, a GIA Vice-President and close acquaintance of Chief, similarly refuted the allegations adding dramatically that Chief did not own "a pin" in GIA (*Daily Guide*, 18 October 2005). The government, Crabbe explained, held a 70 percent stake with a private consortium holding the remaining 30 percent.

³¹² The Social Security and National Insurance Trust (SSNIT) runs the state pension scheme and has a record of funding government ventures. Two Utah based companies - Sentry Financial and Sky West airlines - are the partners in the consortium.

happened, was the Greater Accra regional chairman of the ruling NPP and vice-president at GIA. The powerful Chief of Staff prevailed as the dismissal order was enforced. The continuing government intrusion in GIA's management somewhat mirrors Ghana Airways' tale. As of late 2007, GIA's debts were also rising and reportedly stood at US\$24 million (*Ghana Palaver*, 26 October 2007). History may be repeating itself.

6.3 Privatization of state enterprises: A manipulation of the invisible hand?

The Divestiture Programme has been an important element in our economic policy...We are not divesting of state enterprises to enrich a few private individuals at the expense of the nation...Through divestiture we are bringing interested new investors to revitalize several enterprises.

President Jerry Rawlings in his first sessional address to Parliament.
(Parliamentary Debates, 29 April 1993).

6.3.1 Background

On taking office in December 1981, the PNDC regime did not pursue any pro-market policies until the SAP was adopted in 1983. The privatization requirement of SAP exposed the ideological differences which existed within the regime. Hutchful (1991) categorises them into two groups: the reformed Marxists in favour of privatization and others opposed to it. The PNDC members who favoured privatization were, however, not necessarily 'born-again free marketers'. As noted earlier, the IMF/ World Bank were only approached as a last resort in order to contain Ghana's economic crisis. When 'privatization' was pushed ahead as part of economic reforms, it was officially referred to by the populist regime as 'divestiture'. This can be observed in Rawlings' address above. The two words will be used interchangeably in this section to refer to the same process.

Tangri (1991) details that, at the start of structural adjustment in 1983, the government held a majority stake in 181 parastatals as well as minority interest in 54 other companies. This far exceeds those initially set-up after independence period. The Progress Party government (1969-1972) established a few SOEs such as the Food Distribution Corporation but the subsequent military regimes added most to the stock through confiscations. Kutu Acheampong's National Redemption Council (NRC)/Supreme Military Council (SMC I) regime (1972-1978) and Jerry Rawlings' Armed Forces Revolutionary Council (AFRC) are examples in this regard. However, table 6.1 below shows over 300 SOEs have been divested. This can be explained by the fact that subsidiaries of some state enterprises have been sold as separate units.³¹³

The privatization phase of structural adjustment was launched in 1988 and sales for the first group of state enterprises were completed in 1990. As indicated in table 6.1, the process slowed after this first batch until 1994. A few factors may explain this. First, the inclusion on

³¹³ Both the State Farms and Food Production corporations, for example, were noted to have more than 125 farm units all slated to be sold separately (Gyimah-Boadi, 1991).

the divestiture list, after 1993, of certain strategic and profitable SOEs attracted interest in the process. Second, Ghana's return to democratic rule in 1993 cannot be discounted. This, perhaps, provided confidence in terms of security of investment within a democratic system. Overall, a significant number of SOEs (243) were sold over the first two terms of the Fourth Republic (1993-2000) when the NDC were in office. These cut across sectors including manufacturing, food processing, transport and mining. Available figures, as shown in table 6.1, indicate only 33 enterprises had been sold as of 2003 by the NPP administration. As a result, most of the cases examined will focus on the NDC period.

Table 6.1 Summary of completed divestiture transactions

MODE OF DIVESTITURE	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Totals
SALE OF ASSETS	3	5	3	4	25	19	66	34	15	12	11	3	4	21	225
SALE OF SHARES	8	3	6	3	8	1	1	5	3	3	1	0	1	4	47
JOINT VENTURE	0	1	2	0	7	1	3	1	1	0	0	0	0	0	16
LEASE	2	0	0	0	2	0	0	1	0	1	0	0	0	0	6
LIQUIDATION	21	3	2	3	7	0	1	0	2	2	0	0	0	0	41
TOTAL	34	12	13	10	49	21	71	41	21	18	12	3	5	25	335

Source: DIC (2004).

A considerable body of scholarly work has documented Ghana's ERP/SAP record but little exists on accountability with respect to privatization.³¹⁴ Part of this may be due to the restrictions on the private media (before democratic rule) which were outlined in chapter 4. In the absence of freedom of information legislation during democratic rule, the Rawlings NDC government made little information available on the divestiture process. It was only after the change of government, in 2001, that the activities of the secretive Divestiture Implementation Committee (DIC) became open to detailed scrutiny in a post-regime accountability move.

As noted above, the rationale for privatization had an anticorruption dimension. It was assumed that reducing government's role in SOEs would limit opportunities for corruption. This argument may be valid only to an extent. The evidence suggests privatization in Ghana compounded some of the very problems it aimed to solve, given the new opportunities for abuse it created. Thus this section will detail that the lack of a strong regulatory framework governing the process resulted in corruption. Overall, privatization was carried out under minimal transparency, and Adam Smith's market system of the 'invisible hand' was manipulated for the benefit of a selected few, contrary to what President Rawlings outlined in the parliamentary address quoted at the start of this section. The role of anticorruption

³¹⁴ Ghana's broad structural adjustment experience has been well examined (Hutchful, 1987; 1991 and Herbst, 1993). But these studies do not focus on the transparency and accountability issues involved in the sale of SOEs. Gyimah-Boadi (1991) offers a useful evaluation of the divestiture process but, does not engage in an in-depth assessment of the irregularities associated with it.

institutions in tackling divestiture-related corruption only took the form of post-regime accountability and their effectiveness in this area can be argued as limited.

The case studies presented in this section will thus attempt to highlight the different aspects of alleged and confirmed corruption within the divestiture process. These include: (i) irregularities associated with valuation of divested state enterprises (ii) allegations of fraud associated with payment and (iii) the corruption within the administration of the divestiture process at the DIC. Significantly, an examination of how the cases discussed have been pursued within the anticorruption institutional framework will be undertaken.

The next section provides an overview of the DIC's role.

6.3.2 The DIC and the privatization process

The DIC was set up as the agency to carry out privatization. Its enabling legislation - the Divestiture of State Interests (Implementation) Law, 1993 (PNDC Law 326) - was only signed into law on the 5 January 1993 - two days before the inauguration of the Fourth Republic. In order to provide a legal mandate for SOEs which had already been divested, the DIC law was retrospective and deemed to have come into force on 1 January 1988. The functions of the DIC, as specified under PNDC Law 326, include preparing enterprises for divestiture, overseeing the process of tendering, sale negotiations and payment. Effectively, the statutory authority for planning, monitoring, co-ordinating and evaluating divestiture is conferred on the DIC, but the agency's decisions are subject government approval.³¹⁵ The day-to-day administration is carried out by an Executive Secretary appointed by the government and accountable to the DIC board.

Notably absent on the DIC board during the PNDC/ NDC era were representations from private sector business groups such as the Ghana Chamber of Commerce and Association of Ghana Industries. The uneasy relationship, which existed between the private sector and the Rawlings regime, may partly explain this exclusion. PNDC Law 326 only required the board to be constituted of an odd mix of representatives from the Ghana Armed Forces, government and the Trades Union Congress (TUC).³¹⁶ The Minister of Finance and the Attorney-General were also represented on the board. During NDC rule, the DIC was packed with skilful operators of the erstwhile PNDC such as Tsatsu Tsikata, Ebo Tawiah and Rawlings confidante Valerie Sackey. On the whole, the board which assessed divestiture bids remained heavily government inclined.

³¹⁵ For administrative purposes such as appropriations from Parliament, the DIC is classified as a unit of the President's office.

³¹⁶ Ghana's return to democratic rule did not change the board's composition during the NDC's term in office. As of December 1993, Colonel Kweisi continued to represent the Armed Forces while the Committee for the Defence of the Revolution (CDR) also had a seat on the board during the PNDC/ NDC administrations.

In terms of procedure, government selects SOEs to be divested. The DIC then determines the appropriate mode by which to divest the state's holdings. Some SOEs are sold by competitive tender, while the sale of shares is given consideration when government's stake is in a publicly listed company.³¹⁷ In some instances, the government enters into joint ventures, lease or management agreement with private investors to run SOEs. In other scenarios, state corporations are split up and divested as separate units. This approach is often adopted in the case of corporations which have subsidiaries with distinct lines of business. The dilapidated condition of some SOEs has left government with no alternative other than to liquidate their assets. In general, individual private sector investors as well as consortiums are given the opportunity to participate in the divestiture process.

The DIC received donor support from the World Bank and the United Kingdom's Overseas Development Agency at the initial stage of divestiture.³¹⁸ The aid was mostly in the form of technical and financial support and there is little evidence that accountability was prioritized. From the mid 1990s, a credit from the International Development Association (IDA) also enabled the DIC to outsource aspects of the divestiture process to specialist firms in the private sector such as investment banks, surveyors and management consultants. The rationale here was to improve the speed of privatization. Firms such as Databank Limited, a Ghanaian investment bank, were sub-contracted to advise on the sale of government interests on the stock exchange. Other firms engaged by the DIC performed tasks such as the valuation of SOEs prior to divestiture. Outsourcing has served as a check on corruption, even though anticorruption was not its intended purpose.

The majority of Ghana's divestiture, as noted in table 6.1, has been completed through the sale of assets. Officially, the DIC's procedure here is to begin with competitive bidding to ensure transparency. Bid documents are advertised for sale in the local and international press.³¹⁹ Critical aspects of the bid process are the qualification statement and price bid. The qualification statement comprises business plans potential investors have for developing an SOE. The price bid include terms of payment and details of how the purchase will be financed. The qualification and price bid are submitted separately and sealed.

Bid evaluations are conducted in a two-stage process. Qualification statements are first assessed for potential investors and the DIC uses a highly subjective system of appraisal to consider the 'appropriateness' with respect to how a potential buyer will utilize the SOE. Once satisfied with the qualification statement, the DIC then examines the price bid. A

³¹⁷ Divestiture through the stock market is the least susceptible to rent-seeking given that few opportunities for manipulation exist.

³¹⁸ The Overseas Development Agency became the Department for International Development (DFID) in 1997. Tangri (1991) suggests the World Bank's influence was extensive in areas such as setting the divestiture timetable.

³¹⁹ Bid documents contain details relevant to the SOE on sale. This includes a profile of the enterprise, an independent valuation of machinery, land and buildings.

competitive market system is applied here by accepting the highest bid price.³²⁰ The next phase involves negotiations with the selected investor before authorisation from the President's office is sought. A group of senior officials at the Presidency make the final decision. After government approval, sale agreements are signed and the SOE is transferred to the investor.

With reference to checks and balances, two important observations can be made from the divestiture process. First, there is a wide scope for exercising discretionary authority. Second, opportunities exist to politicize the process through the approval from the President's office.³²¹ Due to lack of transparency, both issues open divestiture to abuse. In fact, the procedure outlined above remains the stated policy which is only selectively applied in practice. An examination of irregularities, such as under-valuation of SOEs and the circumvention of stated procedure for personal gain, is what this study next turns to.

6.3.3 Ghana Films: A stage directed divestiture?

In 2002, a year after the NPP administration took office, the SFO investigated the divestiture of Ghana Films Industry Corporation (GFIC). This divestiture had been completed in 1996 under the NDC government. Gama Media Systems Limited, a Malaysian firm, purchased a 70 percent stake in GFIC for US\$2 million, while the government of Ghana held the remaining 30 percent. The SFO maintains it was prompted to investigate this deal by media allegations that TV3, an Accra based private television station, was using GFIC equipment free of charge (SFO, 2002). The Malaysian investors were majority owners of TV3. The SFO's probe substantiated the media claims and established the television station was a separate business unit. TV3 gained access to GFIC's communication facilities because its holding company owned a stake in this joint venture. However, no payments had been made to government for the use of equipment.

The investigations further uncovered serious discrepancies in the actual divestiture of GFIC. In June 1996, after the DIC was informed about government's intention to privatize Ghana Films, the Minister of Information, Kofi Totobi-Quakyi, requested the process to be "expedited" by the divestiture agency (SFO 2002:19). The Minister noted this was due to interest expressed by his Malaysian counterpart.³²² Thus the official divestiture procedure was sidestepped. This included the failure to value GFIC and hence the lack of a coherent price tag. In addition, no advertisements or bid invitations were undertaken. At a cabinet meeting on 12 September 1996, Totobi-Quakyi proposed that 70 percent of Ghana Films be sold to a private investor (SFO, 2002). By 8 November 1996, the divestiture had been

³²⁰ In the case of equal price bids, the DIC's gives preference to those submitted by Ghanaians investors.

³²¹ The consequence of wide powers has been noted. Van de Walle (2001:286), for example, points out that unless there are "checks on executive abuse of influence" activities like rent-seeking can undermine economic reforms.

³²² The Ministry of Information had supervisory responsibility for the GFIC.

completed in what was arguably record timing. All this was done without the customary approval by the DIC board. On this point, Emmanuel Agbodo, the DIC Executive Secretary, explained to SFO investigators that “the need had arisen for the transaction to be finished in time for the visit of the Malaysian Prime Minister [to Ghana] in November 1996” (SFO 2002:21).

The evidence suggesting a stage-managed divestiture is revealed in the statement to investigators by Victor Anti, a former GFIC managing director. Anti explained that in June 1996, prior to the announcement of the divestiture, he was asked by the Minister of Information to conduct some “Malaysian friends” round GFIC’s facilities (SFO 2002:22). These ‘friends’ were later revealed to be officials of TV3. The Minister next led a delegation, comprising departmental heads of the agencies under the Information Ministry, to Malaysia from 13-19 August 1996.³²³ Anti’s statement, which was corroborated by other members of the delegation, indicates that during the visit a presentation was given by TV3 Malaysia on GFIC and the Ghana Broadcasting Corporation (GBC). The presentation concluded with a US\$2 million offer for GFIC. Anti expressed objections to this price tag and voiced concerns over the “stage-managed” presentation but was assured by the Minister this was only a proposal (SFO 2002:21).³²⁴ As part of its investigations, the SFO commissioned a valuation of the GFIC’s assets. Landed property alone, as of 1 November 1996, was estimated to be US\$6 million; an additional price tag of US\$1 million was placed on equipment and other moveable assets (SFO 2002:22). Given that 70 percent of Ghana Films had been sold for US\$2 million, the investigations concluded the state had suffered a financial loss.³²⁵

What underlines the complete failure of accountability surrounding this divestiture was the finger-pointing, which ensued during investigations, between the DIC’s Agbodo and Totobi-Quakyi. With Totobi-Quakyi denying that he played a principal role, and hence was not culpable for the under-valuation, he pointed to Agbodo as the appropriate person to answer the charges. Agbodo, on the other hand, stressed the divestiture agency played a minor role in the GFIC sale. No one accepted responsibility for the losses. Agbodo’s tenure at the DIC, as will be later outlined, was mired in a history of controversy. Yet the evidence in this case supported his account. In 2004, the SFO charged Totobi-Quakyi with conspiracy to commit a crime and the dishonest disposal of government property (*Ghana Palaver*, 4 January 2004). In 2006, the Attorney-General announced that prosecution was imminent (*Daily Graphic*, 7

³²³ In addition to Totobi-Quakyi and Anti, other members of the delegation included Kofi Sekyama, Director of the Information Services Department; Sam Quarcoe, General Manager of the Ghana News Agency and Berfi Apenteng, Ghana Broadcasting Corporation’s Head of Radio.

³²⁴ The SFO suggests a memorandum of understanding outlining the terms of the takeover was signed in Malaysia in August 1996.

³²⁵ The press also alleged the Malaysian’s sold 14 cinema houses, which were part of GFIC, for US\$14 million after they gained control (*Weekend Agenda*, 25 January 2002). The SFO investigations did not comment on this.

April 2006). The evidence indicates this case was not brought to court before the NPP left office.

The Ghana Films saga is not unique as instances of undervaluation can also be found in Uganda's privatization. For example, in spite of the adoption of a private members motion, by Parliament, to block the divestiture of the state-owned Ugandan Commercial Bank (UCB), government went ahead with the sale. Prior to divestiture in March 1998, UCB had been recapitalised by government for US\$72 million. Yet another group of Malaysian 'bargain hunters', Westmont Land (Asia) Bhd, were allowed to acquire a 49 percent stake in UCB for US\$11 million. Westmont breached the contract agreement shortly after acquisition. Its UCB holdings were sold to Greenland Investments Limited (GIL), a company in which Salim Saleh, President Yoweri Museveni's brother, was a majority shareholder. A parliamentary select committee which investigated this matter uncovered a pre-arranged deal between Westmont and GIL. Recommendations were made that Saleh and some Ministers be investigated further and prosecuted. Saleh admitted "improper conduct" in the UCB sale and resigned his position as a Presidential Advisor on defence and military affairs but was not prosecuted (Tangri and Mwenda 2001:128).³²⁶ The Ugandan Parliament's efforts, in its oversight role of an incumbent administration, are noticeable albeit a limited success. This is because it had succeeded in securing a resignation, which stands in sharp contrast to Ghana's post-mortem action - a measure that raises concerns about incumbent regulation.

6.3.4 From first lady to fourth accused: Mrs. Agyeman-Rawlings in the dock

The Auditor-General's review of the DIC's accounts in 2002 revealed inconsistencies in the divestiture of Nsawam Cannery, a division of the Ghana Industrial Holding Corporation (GIHOC).³²⁷ This former state enterprise had been divested to Caridem Development Company Limited (Caridem), a subsidiary of the 31st December Women's Movement (DWM) in 1995. Established in May 1982, the DWM was a powerful group during the Rawlings era. The movement defines its goal as seeking the welfare of women through mobilization and also advocates for their participation in nation-building. The DWM's motto: "total liberation by any possible means" has to some extent been reflected in its mode of operation. Nana Konadu Agyeman-Rawlings, the wife of ex-President Rawlings, is the movement's founder and lifetime-President. The DWM's self-styled non-governmental organization status has been a subject of intense debate, owing to the strong affiliation it maintained with the PNDC/NDC regimes. In fact these Rawlings regimes considered the DWM as one of its so-called 'revolutionary organs'. Not least, the movement's political name, 31st December, which reflects the date of Rawlings' coup in 1981, also conflicts with its non-governmental claim.

³²⁶ President Museveni dismissed the report as "superficial and unresearched" (Tangri and Mwenda 2001:129).

³²⁷ Gyimah-Boadi (1991:196) notes that all state-owned manufacturing industries were brought under GIHOC through the National Liberation Council (NLC) Decree 207 with the rationale of improving efficiency in management. From an initial 24, these were later scaled down to 16 GIHOC industries.

In the rural areas, the DWM mobilized and funded women's groups in agriculture and small scale income generating ventures. The DWM also offered child care facilities that were strategically placed in the urban market centres and rural locations thus providing some level of flexibility for working mothers. As an example, a section of Makola market, located in Accra's central business district, was rebuilt with improved facilities and a day care centre, but membership of DWM was made a prerequisite to obtain a market stall. The movement also engaged in other activities such as vocational training and running family planning workshops. A host of donors, including the United Nations Development Programme (UNDP) and the Netherlands government, funded its work. Overall, the movement performed an important service in both rural and urban communities gaining it influence and a huge following. Oquaye (2004:317) reports a membership list of 1.5 million at some point. On the other hand, the distinction between the state and the DWM was blurred during the Rawlings era, as the DWM utilized government facilities for its activities. Full-time civil servants, for instance, were seconded to the movement's offices (Oquaye, 2004). In the transition to multiparty democracy, the DWM functioned as the women's wing of the NDC. In essence, the movement's members became cheerleaders of the NDC and campaigned for the party, drawing on its well placed decentralized branches across Ghana's districts. Fittingly, Nugent (1995:215) refers to the DWM as one of the "building blocks" of the NDC as a party. Given this backdrop, it was not strange for the movement to be engaged in business ventures. However acquiring a divested state enterprise indicated a marked determination of entering into bigger industrial projects, and its political clout appears to have helped circumvent the set rules in this process of acquisition.

Figures 6.4 to 6.6 Cheerleaders in action



Source: 31st December Women's Movement.
 Figure 6.4 shows Agyeman-Rawlings giving an address; in 6.5, the movement's faithful can be seen in their traditional red beret cheering; 6.6 provides an illustration of a group engaged in one of the DWM's self-help projects.

The crux of the case relates to Caridem's failure to meet the payment schedule after it won the bid to buy Nsawam Cannery for about ₵2.8 billion. Payments, the audit findings revealed, were varied contrary to the terms detailed in table 6.2 below. After making the initial 10 percent payment, all further amounts were to be paid by the stated deadline date. Caridem,

the evidence suggests, paid at its convenience and on its own terms. At stage 2, for example, it only made a ₵10 million payment - approximately 0.36 percent, instead of the required 50 percent of the sale price. The sale and purchase agreement on this divestiture detailed that any payments deferred will accrue interest consistent with treasury bill rates. Caridem apparently paid the remainder of the principal amount owed (approximately ₵1.3 billion) just a month after the NPP took office in 2001; this sum excluded interest, which was estimated to be over ₵7 billion as at the end of 2003 (*Crusading Guide*, 13 April 2004).³²⁸

Table 6.2 Payment terms for Caridem's acquisition of Nsawam Cannery

Stage	Transaction Detail	Amount (₵)	Scheduled (Deadline date)
1	10% of sale price as commitment fee	278,984,600	31 January 1995
2	50% of sale price upon execution of sale agreement; property to be handed to Caridem after completion of this stage.	1,394,923,000	3 March 1995
3	20% of sale price to be settled 6 months after the execution of sale agreement.	557,969,200	3 September 1995
4	20% of sale price representing final instalment to be settled within 12 months after the execution of sale agreement.	557,969,200	3 March 1996
	Total	2,789,846,000	

Source: Auditor-General's findings as reported by the *Crusading Guide*, 13 April 2004.

The government argued that, by failing to follow the above schedule, the state had suffered a financial loss of the interest Caridem failed to pay and denied owing. The Attorney-General thus preferred criminal charges of causing financial loss to public property, among others, against the following defendants: Emmanuel Agbodo, former Executive Secretary of the DIC; Thomas Benson Owusu, an ex-DIC accounts assistant; Kwame Peprah, Finance Minister during the Rawlings NDC administration; Nana Konadu Agyeman-Rawlings, 31st DWM President; Sherry Aryeetey, Managing Director of Caridem/member of the 31st DWM and Caridem as an entity. Several of the accused faced multiple charges. For example, the prosecution alleged that having defaulted on payments, Agyeman-Rawlings and Aryeetey, in October 2000, attempted to conceal the amount owed through forgery. They were subsequently charged with taking over the GIHOC cannery by falsification of documents. Agbodo, the former DIC chief, was additionally accused of aiding Caridem gain control of the cannery and failing to withdraw the offer when it defaulted. In 2007, the Attorney-General substituted the 30 counts initially preferred against the accused with 15 counts (GNA, 13 July 2007). These included conspiracy, causing financial loss to public property, conspiracy to obtain public property by false statement and obtaining public property by false statement. All the accused pleaded not guilty.

³²⁸ The benchmark 91-day treasury bill interest rate from 1995 to 2002 ranged between 26.6 and 42.8 percent (Bank of Ghana, 1996; 1999; 2003).

While the above case suggests there was a conspiracy between the DIC and DWM, fraud within the DIC was also exposed. The audit uncovered that two payments of ₵10 million and ₵190 million made by Caridem to the DIC had not been recorded. Agbodo and Owusu were found to have misappropriated these funds. Without knowledge or consent from the DIC board, the two officials allegedly conspired to open an account in the name of DIC at Ecobank. The cheques for the above payments were then paid into the account and the funds withdrawn eight days later. The apparent ease with which the above scheme was executed demonstrates the limited internal controls within divestiture administration.

The Caridem case, however, became a party political issue. With none of the public anticorruption institutions involved, the Attorney-General (also the NPP's Minister of Justice) led the prosecution team thus fuelling the partisan tone. As former President Rawlings' wife was at the centre of this legal action, the trial was labelled a witch-hunt by Rawlings' supporters. NDC sympathisers remained steadfast in support of their matriarch, Agyeman-Rawlings, and party members were regularly bussed in for her court appearances. Amidst chants of anti-NPP slogans, singing and dancing, the trial took on a carnival atmosphere. But after almost three years of court proceedings, events took a surprising turn on 6 January 2009, President Kufuor's last day in office. The President directed the Attorney-General to discontinue the case and drop the charges against all the accused. The fact that no reasons were given raised many unanswered questions. It is unclear if this was intended as a goodwill gesture to the incoming Mills NDC administration and/or a conciliatory move to avert prosecution of NPP members by the new regime. What is clear is that this action was used by NDC loyalists as evidence in their argument that the Caridem trial was politically motivated. In fact, after the High Court formally dropped the charges, Agyeman-Rawlings underscored this point when she told the press outside the court that "[i]f Kufuor thought there was any criminality in the purchase of the Nsawam Cannery, what moral basis did he have to withdraw the charges [?]" (*Joy FM*, 15 January 2009). The former first lady launched a scathing attack and called Kufuor's actions "shameless" and also threatened the ex-President with legal action, in order to recoup losses she claims to have suffered from his administration's political persecution (*Ibid.*).

The Caridem affair adds to the doubts about the capacity of Ghana's ACAs to carry out rigorous incumbent oversight. An examination of published DIC reports shows that the non-payment by Caridem was not a secret. The *Business Chronicle*, 26 August 1996 edition reprinted an official DIC list, dated 31 July 1996, which specified SOEs divested since 1994. This notice detailed investor name, purchase price, amount paid and balance outstanding. Caridem was shown to have an outstanding balance (past the due date). But as no action was taken - until the NDC were out of government - the lessons from this case also underline the problems associated with post-mortem forms of anticorruption. Indeed, the most

significant implication of this was the party political interpretation given to the accountability process regardless of evidence. Kufuor's action, by dropping the charges, only reinforced the idea that the Caridem trial was politically motivated, as opposed to fraud belatedly uncovered through audit. On the whole, the audit findings and subsequent investigations highlight serious failings in the DIC's handling of divestiture and the minimal oversight associated with the process. This case provides yet another example of the limitations in Ghana's anticorruption system.

6.3.5 The tale of Goldcity

The integrity of the DIC came under fire again in 2001. Investigations conducted by the SFO, after the NPP administration assumed office, exposed various schemes used to divert public funds from the divestiture agency. In one case, the DIC Executive Secretary, Agbodo, made the case for the instituting a public relations programme to educate and gain support for divestiture. This initiative was rather late, coming more than 12 years after divestiture had been launched and the majority of SOEs already sold. The DIC still went on to contract Goldcity Communications Group Limited (Goldcity) in 2000 for advertising, public relations and research functions. The SFO's probe revealed Goldcity was only a vehicle for siphoning funds from the DIC. To start with, records from the Registrar-General's department indicated Goldcity was registered and incorporated as a limited liability company on 18 July 2000 - a short period before being awarded the contract. Obvious conflicts of interest also existed. Siegfried Sedziafa, a full-time public relations employee at the DIC, worked for Goldcity and was a signatory to its accounts. Angelo Lassey, another DIC hand, similarly worked at Goldcity. Between August and December 2000, the divestiture agency made several payments to Goldcity under the pretext of public relations expenses. The SFO (2002:16) lists the total paid in different currencies to Goldcity as:

US\$705,031.25; £39,169.80; ₵3.11 billion (estimated).³²⁹

Consultancy expenses, such as the Goldcity contract, had to be funded from an International Development Association/ World Bank credit under the Public Enterprise and Privatization Technical Assistance Project (PEPTA). Contrary to this, the payments were made using proceeds from the sale of state-enterprises and there were no checks in place to prevent the DIC funds from being misapplied.

There is little evidence to suggest Goldcity undertook any divestiture related advertisement or public relations duties, yet numerous 'consultancy' and 'public relations' payments were made to it. Tracing these payments led investigators to DIC officials. A US\$42,000 DIC 'consultancy payment' to Goldcity, for example, was traced to the bank account of EMEFS

³²⁹ Converting into a single currency, the payments to Goldcity were approximately US\$1.4 million in total.

Construction Limited, an estate developer (SFO, 2002). Questioned on the transaction, the managing director of EMEFS acknowledged that his company had not rendered services to Goldcity. Instead, the amount was reported to be a part payment for a house at Community 14 Tema, in the Greater Accra region. The owner of this property was Sedziafa, the DIC/Goldcity employee. The SFO probe also revealed that Sedziafa used a similar method to misappropriate about ₵1.5 billion from the DIC through Goldcity. Sedziafa was subsequently charged with causing financial loss to the state. Even then, he could not be prosecuted as he jumped bail. The SFO's Emmanuel Osei Wusu explained "inadequate bail conditions" allowed Sedziafa to flee from Ghana.³³⁰ Thus similar to the case of the Ghanair syndicate (discussed in section 6.2.5) the opportunity to bring suspects to account was again lost.

The DIC-Goldcity scheme became clear-cut when the SFO implicated Agbodo, former head of the divestiture agency.³³¹ But Agbodo's case was complex due to the method by which DIC funds had been embezzled. For all intents and purposes, the scheme used was money laundering. For example, a ₵700 million payment was made to Goldcity for public perception research that was not undertaken.³³² Nonetheless, Goldcity purportedly refunded ₵350 million of the above amount to the DIC as an 'overpayment'. Evidence seen by this author showed that the reimbursement cheque, dated 8 December 2000, was made payable to 'Ecobank' and not the DIC. The signatory was Everest Ekong, the Nigerian managing director and majority shareholder of Goldcity. With the DIC not receiving this refund, the SFO traced the cheque to a 91-day treasury bill account at Ecobank. This had been purchased in the name of Julius Zormelo on 18 December 2000. Zormelo happened to be Agbodo's nephew who was resident in London, United Kingdom. No withdrawals had been made from the account and the balance, including accumulated interest, as of September 2003, stood at ₵836 million (see column 7 of table 6.3 below).³³³ Investigators charged Ekong with conspiracy, owing to his failure to make the refund cheque payable to the DIC. The unusual practice of making Ecobank the payee was identical to writing an open cheque.

Table 6.3 Treasury bill investments by Agbodo in the name of Zormelo

	1	2	3	4	5	6	7	8	9	Total
Date	1993-1995 *	17/02/1997	14/06/1999	24/01/2000	19/06/2000	18/09/2000	18/12/2000	17/07/2000	07/08/2000	
Amount invested (₵)	4.3 million 6.2 million	12 million	15 million	30 million	110 million	76.5 million	350 million	100 million	70 million	774 million
	<i>Total yield per investment</i>									
Yield date	29/03/2003	11/08/2003	08/09/2003	20/10/2003	15/09/2003	15/09/2003	15/09/2003	13/10/2003	11/08/2003	
Yield amount (₵)	233.05 million	113.55 million	56.9 million	102.95 million	319.5 million	201.5 million	836 million	295.1 million	187.85 million	2,346 billion

Source: SFO

* The amounts in column 1 for ₵4.3 million and ₵6.2 million were invested on 14/7/1993 and 12/4/1995 respectively. Both were later combined into a single account and are reported together due to the accrual. The shaded amounts - in columns 7 and 8 - are those returned to government. The remaining accounts are still being investigated.

³³⁰ Unstructured interview with Emmanuel Osei Wusu at the SFO head office in Accra. 20 January 2006.

³³¹ Agbodo led the DIC from its inception until 2001 - when the NPP assumed office.

³³² Unstructured interview with Emmanuel Osei Wusu at the SFO head office in Accra. 20 January 2006.

³³³ Instruction on the account was to roll over using the maturity value as principal.

Weak banking regulations played a role in this fraud by allowing a significant sum to be invested in Zormelo's name while he was physically absent and unidentified. Osei Wusu, the SFO investigator, explained a funds mobilisation officer at Ecobank, Susan Quartey, facilitated this process.³³⁴ Under interrogation, Quartey admitted to completing the treasury bill application on Agbodo's behalf but attempted to justify her actions by clarifying that she was only following the orders of Agbodo, a well-known client. Agbodo, she alleged, had personally deposited the ₦350 million cheque with instructions for it to be placed in a treasury bill account under Zormelo's name. An examination of the application form for this account showed several lapses by Ecobank.³³⁵ The form had not been duly completed and numerous sections such as address, occupation and next of kin were blank. Although a connection had now been established, Agbodo maintained that he was only a trustee for his nephew's account. The SFO was granted permission by the High Court for the funds to be frozen.³³⁶ Faced with the evidence, Zormelo eventually conceded he did not own the ₦350 million but claimed Agbodo had "erroneously" paid the money into his account.³³⁷ This amount and the interest accrued were subsequently released to the state.

As a result of the Goldcity investigation, the SFO uncovered that between 1993 and 2000 Agbodo invested a total of ₦774 million on behalf of his nephew in separate transactions; these are detailed in table 6.3 above. The sources of these funds, some of which are still being investigated by the SFO, have led to the exposure of further irregularities. For example, Agbodo purchased a 91-day treasury bill for ₦4.3 million using his own name in July 1993 (see column 1 of table 6.3). Ownership of this investment was nonetheless transferred to Zormelo, on maturity, in October 1993.³³⁸ The source of this ₦4.3 million was traced to the accounts of West Africa Mills Company (WAMCO), a divested state-enterprise. Agbodo clarified the money was an "appreciation" gift from a German investor, Walter Schroeder, for skilfully overseeing the divestiture of WAMCO (then known as the Cocoa Processing Company).³³⁹ This transaction highlighted conflict of interest in the DIC's operations. The SFO considered the payment as fraudulent and requested it to be held in a suspense account.

On the whole, the treasury bill amounts in the shaded columns (7 and 8) of table 6.3 have been confirmed as fraudulent payments linked with the Goldcity-DIC scheme and returned to government. The SFO, having obtained ample evidence in the Goldcity fraud, recommended

³³⁴ Unstructured interview with Emmanuel Osei Wusu at the SFO head office in Accra. 20 January 2006.

³³⁵ Ibid.

³³⁶ In order to freeze accounts, the SFO initially applies to the Bank of Ghana, the central bank, which in turn instructs commercial banks to hold accounts for a period of seven days. The SFO is required to make an application to the law courts if it wants to hold funds for a longer period.

³³⁷ Unstructured interview with Emmanuel Osei Wusu at the SFO head office in Accra. 20 January 2006.

³³⁸ Agbodo told SFO investigators the transfer was reimbursement for his son's college fees in the United Kingdom which had been settled by Zormelo.

³³⁹ Unstructured interview with Emmanuel Osei Wusu at the SFO head office in Accra. 12 June 2007.

the prosecution of the DIC's Agbodo and Ekong, the Nigerian owner of Goldcity, for causing financial loss to the state. As of June 2007, permission to prosecute from the Attorney-General's office was still pending. Quartey and Ecobank were not sanctioned, even though the bank had allowed Agbodo to open numerous accounts without proper identification. Zormelo was also not charged, notwithstanding his initial protestation of owning some of the fraudulent accounts. Osei Wusu explained that Zormelo's residency abroad posed difficulties.³⁴⁰ Overall, the body of evidence pointed to Goldcity as a conduit for diverting public funds. The weak regulatory framework governing divestiture together with the lax oversight by the DIC board facilitated this scheme.

In spite of these shortcomings, it is instructive to emphasize that divestiture has generated approximately ₵278 billion and US\$179 million for government (DIC, 2004).³⁴¹ Other important economic benefits of the process include the restructuring of failing and defunct SOEs together with job creation. For example, Tema Steel Company (previously GIHOC Steel) had almost ceased operations prior to its divestiture in 1991. This company was transformed after acquisition and, as of 2002, over ₵9.2 billion worth of private investment had been put into the business (DIC, 2003). The result has been a substantial increase in production - from a pre-divestiture level of 4,500 tonnes per annum to 21,500 tonnes per annum post-divestiture. Employment, as shown in the table 6.4 below, has also increased by almost 400 percent.

Table 6.4 Examples of divested SOEs with employment levels as of 2002

Privatized Company/ Business	Pre Divestiture	Post Divestiture
Golden Tulip	116	346
Tema Steel Company	130	584
West African Mills	170	345
Ghana Agro Food	494	1,570
Coca Cola Company	340	700
Ghana Rubber Estates	3,085	3,833

Source: DIC (2003).

Similarly, Golden Tulip Hotel (formerly Continental Hotel) has benefited from private investment of US\$29.4 million since its divestiture in 1990. The effects here have also been considerable, with an expansion in the number of rooms from 130 to 234 as well as an estimated 300 percent increase in employment (DIC, 2003). These gains underscore the potential contribution of divestiture, but the evidence of systemic fraud associated with the process in Ghana, which has been buoyed by weak oversight, is hard to ignore.

³⁴⁰ The assistance of the International Criminal Police Organization (Interpol) was apparently sought, but the process was said to be fraught with bureaucracy and unhelpful responses.

³⁴¹ Transactions in other foreign currency were converted to US dollars (USD) at the following rates: 1 USD = 4.79457 French Franc; 1 USD = 1.42939 Deutsche Mark; 1 USD = 0.494322 Pounds Sterling.

6.4 Conclusion

This chapter examined the accountability deficit in a state enterprise as well as the divestiture process, which was partly intended as a remedy for corruption. Ghana Airways, the state enterprise case study, was plagued with irregularities and managed to stay in the air by applying quick-fixes. These included defaulting on payments to creditors and acquiring new loans until it failed to be credit worthy and buckled under a mountain of debt. The NDC and NPP administrations were acutely aware of the mismanagement, corruption and weak financial position of Ghanair. For that matter, the hesitation of both regimes - to insist on accountability and undertake far-reaching reforms - only intensified the airline's predicament. The reasons for inaction are varied, but a close analysis of the available evidence points mostly towards a combination of nationalistic sentiments and the self-interest of those in authority who benefited from the airline's largesse. In general, the political commitment to institute necessary reform, similar to the Kenya Airways example, was lacking and Ghanair paid the price with its eventual collapse.

Divestiture, an integral part of liberalization reforms in Ghana, has brought about economic benefits notably through job creation and the revitalization of some failing SOEs. However its costs, in terms of corruption, have been significant due to the manipulation of the process. The examples of the 'fast-tracked' divestiture of Ghana Films together with the Caridem case suggest that divestiture procedure has been influenced by government elites. In addition, the DIC's administrative role has been marked by inconsistencies and fraud. These malpractices were possible because of the wide discretionary authority, lack of transparency and limited safeguards linked with the process. As a result, one rationale of divestiture - lessening mismanagement and fraud in SOEs - ironically created new opportunities for corruption.

A key finding to emerge from the data examined in this chapter is that weak controls, which appears to be at the centre of corporate governance in Ghana's public sector, remain inextricably linked to corruption. The DIC's operations and the Goldcity case, in particular, demonstrate how limited oversight permitted conflicting interests to prevail as an initial step to corruption. Another significant finding is that ACAs have had minimal success in ensuring accountability. Evidence from Ghanair and the divestiture process indicate that cases involving junior officials, when investigated, have yielded mixed results. For instance, the SFO's careful scrutiny of Ghanair's accounts uncovered the three-man syndicate engaged in the swap of the airline's cash, in foreign exchange, for fraudulent cheques. But the agency could not achieve its goal of accountability due to the delays in instituting criminal proceedings which led to suspects absconding. Similarly, Sedziafa, a suspect in the DIC Goldcity scam who was investigated by the SFO also absconded. These examples once again highlight the bottlenecks ACAs encounter in bringing even junior suspects to account. Further, the Anane case and the Caridem trial epitomizes how the anticorruption process in

Ghana can be reliant on the political will of incumbents. Despite CHRAJ's adverse findings in the Anane case, President Kufuor's failure to swiftly follow the Commission's recommendations impacted the process of accountability. The discontinuation of the Caridem case is another example of how political expediency affects the process of anticorruption.

Overall, the capacity of Ghana's anticorruption institutions to undertake rigorous scrutiny of incumbents is also called into question. With reference to the SFO, the agency did not investigate state divestiture cases involving the NDC until that regime was out of government. This invites suspicions about its independence. Parliament, for its part, failed to act on the malpractices at Ghanair as well as the irregularities associated with the divestiture process. Although strong parallels exist between Ghana and Uganda, in terms of privatization related corruption, Uganda's Parliament fared better with incumbent accountability. As detailed above, the Ugandan legislature exercised its oversight function by investigating corruption allegations, in stark contrast to Ghana's Parliament which stayed clear of any formal line of inquiry. A direct implication of these failings has been the fact that investigations are conducted only after an administration has relinquished power. However, the lessons from post-mortem anticorruption measures, such as the Caridem trial involving Agyeman-Rawlings, are that the accountability process becomes a party political issue and may be interpreted as vindictive - regardless of evidence. This politicization undermines anticorruption and highlights the need for stronger incumbent oversight by public ACAs.

Chapter 7

Conclusion

There was a lot of noise, for sometime, about some investigation designed to rid the country's trade of corruption. De-uncorrupt themselves? There was nobody around who was all that excited...In the end it was being said in the streets that what had to happen with all these things had happened. The net had been made in the special Ghanaian way that allowed the really big corrupt people to pass through it.

Armah (1985:154)

"One can only see the full length of a frog when it dies."

Ghanaian proverb as cited in Ephson (2004:3)

7.1 Summary

The broad objective of this thesis was to evaluate the effectiveness of Ghana's anticorruption system between 1993 and 2006. This period reflects the return to democratic rule in the Fourth Republic and the end of my fieldwork. The framework used involved an assessment of the mandate of public ACAs and the limitations encountered in fulfilling their functions. Next, adopting a case study approach, this study focused mostly on how high-level (grand) corruption has been tackled by Ghana's anticorruption institutions in two areas - local government and state enterprises. But Ghana's post-independence anticorruption history, pre-1993, was first traced in chapter 2 to determine the failings of past accountability attempts. The main lesson drawn from the past period was that, despite reams of anticorruption legislation, incumbent oversight was weak or nonexistent. This pattern was observed across both civilian and military regimes. The primary cause of failure was a general lack of commitment to enforce accountability measures. This resulted in the use of post-mortem forms of anticorruption - conducted mostly after military coups. Yet such exercises were haphazard, quick-fix in nature and unsustainable in the long-term. The execution in 1979 of eight senior military officers, including three former Heads of State on charges of corruption, was the high point of past efforts. Overall, the failure of previous anticorruption measures influenced the framers of the 1992 Constitution to adopt an autonomous system of anticorruption capable of ensuring incumbent oversight.

In chapter 3, it was outlined that the anticorruption system the 1992 Constitution prescribed, and subsequently expanded by Parliament, has brought about the emergence of a broad framework unprecedented in Ghana's history. Primarily, the multi-agency anticorruption framework is made up of CHRAJ, SFO, Auditor-General and PAC. CHRAJ is charged by the Constitution as an independent body to address corruption. This autonomy, as earlier noted, is buttressed by the security of tenure of its commissioners, which is commensurate with those enjoyed by senior judges. CHRAJ's only requirement is to report annually to Parliament. Even though the Commission has made strides in carrying out its mandate, by investigating some allegations of

corruption against senior incumbents, formidable challenges have also surfaced. Importantly, CHRAJ does not have the power to institute criminal proceedings and is constrained to rely on the commitment of the Attorney-General, who is also a government Minister of Justice, to pursue such prosecutions. The lack of resources – both human and financial – has also curtailed the Commission's operations.

The SFO was created by an Act of Parliament in 1993 and has filled a gap through its specialization and focus on tackling complex financial and economic crimes. Indeed, it has made an immense contribution, recovering billions of embezzled funds for the state. However these gains have been in areas of corruption that excludes senior incumbents. This is because the agency lacks autonomy. The SFO operates as a sub-unit of the combined Ministry of Justice and Attorney-General's office, which effectively makes it answerable to the executive branch of government. So far as independence is concerned, the evidence presented suggested the SFO, in contrast to CHRAJ, has been subjected to government interference during both the NDC and NPP administrations.

The Auditor-General is charged by the Constitution to carry out value for money audits. This function entails reviewing the accounts of government offices such as ministries, departments, public boards and corporations. The Auditor-General's office was noted to have exhibited two important attributes. Firstly, the office has consistently demonstrated its independence over the course of Ghana's history. The fact that it only reports to Parliament has helped in this respect. Secondly, audit reports have continuously provided detailed accounts of misappropriations in public office. This has included irregularities by senior incumbents. But it is worth re-emphasizing that the timeliness of audit reports has been affected by financial constraints. Consequently, reports are often published several years late when culprits are no longer in office, thus casting doubt over their relevance. Worse still, the valuable recommendations made in the reports for reimbursement and enhanced internal controls have, for the most part, been left unenforced. Given that audit reports are submitted to Parliament, PAC shares some responsibility for the non-implementation of recommendations.

As a standing committee of Parliament, PAC has the task of examining the audited public accounts presented to the House. By convention, the committee has been chaired by a ranking member from an opposition party; this has been an additional measure to strengthen PAC's role of scrutinizing public finances. Yet, as noted in section 3.5, the committee's incessant rhetoric has not been matched by decisive action, as can be seen in the minimal evidence of enforcement. In some instances, the inaction has been due to vested interests. But PAC cannot

be entirely faulted for all the failures. Even when culprits have been arraigned before the law courts, cases have dragged on for extensive periods; this can be attributed to Ghana's creaky legal system. As a result, those charged sometimes abscond. Furthermore, the committee is understaffed and severely under-resourced to fulfil its mandate.

Alongside the public ACAs, section 3.6 noted that the NPP administration created another anticorruption unit. In 2003, the government established an Accountability Office, the OoA, which reports directly to the President. Despite the NPP's insistence that the OoA fulfils a role of early detection and prevention, there is no evidence of the Office contributing to anticorruption efforts. In fact governance activists have generally poured scorn on the OoA. Not least, this is due to the fact that little is known about the office. The integrity of the Accountability Office has been further called into question because even though corruption allegations against senior members of the NPP increased, the OoA did not take any steps to publicly address these claims. The case of Moctar Bamba, a former deputy Minister at the Presidency, who resigned after the press revealed he had abused his office by engaging in visa fraud and securing loans, undermined the credibility of the Accountability Office. This was because the OoA, as a unit of the President's office, appeared to not have its own house in order.

Lastly, the law courts, as discussed in section 3.7, emerged under the NPP government as an effective tool in the public anticorruption landscape. Predictably, the change of government in 2001 brought in a new wave of post-regime accountability. But on this occasion the NPP administration settled on the Criminal Code's section 179A (3) (a), which refers to wilfully, maliciously or fraudulently causing financial loss to the state. The Quality Grain case, which concluded with the conviction and imprisonment of two former NDC Ministers and a senior civil servant, under the above law, was explained as one of many post-regime corruption prosecutions the NPP pursued. In general, during NPP rule, Rawlings era ministers experienced the sharp end of this law which, ironically, they themselves introduced. But the strong evidence of corruption uncovered from some post-mortem measures raises doubts about the capacity of public anticorruption institutions in terms of effective incumbent oversight.

The anticorruption role of donors, civil society and the media was outlined in chapter 4. Prior to the Fourth Republic, these non-state actors played a limited role. For instance, donors, jockeying for cold war alliances, were mute on corruption. Currently, however, donors occupy a central place in the anticorruption process with contributions ranging from policy reform proposals through to financial and logistical support for ACAs. All the same, the evidence presented in chapter 4 indicated donors have been loath to criticize Ghana's government openly when

commitment to reforms has been lacking. Ghana's democratic achievement - successive democratic elections and smooth transfer of power - appears to be a key factor for donor inaction.

Over the period under discussion, the media have been pivotal to the anticorruption process. This is in stark contrast to the pre-Fourth Republic era when large sections of the press remained firmly in the grip of state control, while the few private newspapers that attempted to exercise a watchdog role were repressed. Three key factors have facilitated the media's strengthened role: the constitutional guarantees of press freedom, deregulation of the airwaves and the repeal of criminal libel laws. The burgeoning privately owned newspaper industry has especially made a substantial contribution. This is because some of the landmark corruption cases that CHRAJ has pursued were initially uncovered by the press. Yet the dearth of investigative journalism skills together with the lack of access to basic official information has served as a major obstacle. The state media, on the other hand, have played a limited role in anticorruption. Although the independence of the state press is guaranteed, the evidence examined pointed to the fact that, under both the NDC and NPP, an undercurrent of government interference has existed. This has resulted in the state media being depicted as a mouthpiece for incumbents.

Religious and governance civil society groups have also been at the forefront of the anticorruption agenda. Mainstream religious bodies such as the Catholic Bishops Conference have used pastoral letters to advocate moral uprightness. The emergence of governance-focused civic groups has enhanced grassroots anticorruption public education programmes. CSOs have also collaborated with donors and tend to speak out boldly on the corruption issues donors only hint at. Government, for its part, has shown lukewarm response to civil society recommendations. A key observation made was that, due to funding constraints, civil society groups largely subsist on donor funding. This undercuts their autonomy, as donor priorities appear to drive civil society agenda whilst local initiatives are sidelined.

Chapter 5 examined how anticorruption institutions have tackled local government corruption. Decentralization in Ghana was partly undertaken to encourage grassroots participation in local development and to also promote accountability. But the delegation of spending and revenue-raising powers have led to endemic corruption and an accountability deficit. Across the three corruption-prone areas evaluated - contracts, procurement and revenue collection - the impact of anticorruption measures was found to be limited. Development project funds, for example, were regularly siphoned-off by Assembly members who in some instances awarded themselves

contracts. Guidelines to forestall such conflicts of interest were often side-stepped. CHRAJ's stretched resources have meant that it plays a peripheral role at this level. Although the SFO has taken up local government corruption cases, it is not well decentralized to cover most districts. Thus the bulk of anticorruption work has fallen on the Auditor-General. But audit recommendations were noted as having a minimal enforcement record. As a matter of fact, lax implementation has contributed to the year-on-year recurrence of identical irregularities in certain localities. Lastly, both the NDC and NPP administrations were shown to have compounded the irregularities in districts by using local government resources to build grassroots support during election campaigns.

The role of ACAs in addressing corruption in state-owned corporations and the privatization process was discussed in chapter 6. In both areas, anticorruption institutions have made a limited impact on incumbent corruption. With reference to the state enterprise case study, Ghana Airways, the SFO investigated a number of embezzlement cases, yet these involved low level staff. Even then, the cases dragged on for years confirming the pattern where suspects absconded before facing justice. Audit reports regularly documented numerous incidents of fraud, but the malfeasance at the airline received little parliamentary attention. In fact the airline's continued public ownership clashed with the rationale behind the privatization programme. This is because privatization was designed to rid the state of precisely such mismanaged corporations. Altogether government's failure to push through basic reforms to address Ghana's problems was influenced by patronage and other benefits senior incumbents derived at this beleaguered state corporation's expense. Chronic mismanagement eventually crippled the heavily indebted airline, leading to its bankruptcy in 2004.

The privatization of state enterprises, on the other hand, compounded some of the very problems it aimed to solve - corruption. As outlined in section 6.3, the privatization process was undertaken with little transparency and regulatory oversight thus fostering abuse and disregard for established procedures. The body charged with carrying out divestiture, the DIC, played a central role in corruption. Abuses ranged from state enterprises being grossly undervalued to selling them to politically connected buyers. During NPP rule, senior officials of the Rawlings NDC administration who oversaw the bulk of SOE divestiture were subjected to post-regime accountability. The NPP's Attorney-General scrupulously prosecuted cases involving political figures, while the SFO examined in post-mortem form, misappropriations involving DIC officials. In general, these cases highlight the weakness of ACAs in terms of rigorous incumbent oversight.

7.2 Review of findings and answer to research questions

As this thesis has shown, anticorruption laws and institutions do not necessarily lessen corruption or promote accountability. In order to provide a succinct explanation for why this is the case in Ghana, the research questions posed in chapter 1 are re-examined and answered.

(1) How effective have public ACAs been in accomplishing their mandates and is the current multi-agency approach suitable for tackling corruption?

In answer to the first research question, the present study concludes that Ghana's public ACAs have only had a moderate effect in controlling corruption. Indeed, the elaborate anticorruption framework, in principle, appears satisfactory, but in practice, ACAs have not fully achieved their objectives mostly in the area of incumbent oversight. The reasons for this are inherent in the answer to the second research question – the limitations encountered.

(2) What are the main factors that have constrained efficient incumbent oversight and prompted a return to post-regime accountability?

Whilst there was little evidence found of the cultural orthodoxy which has been used to explain corruption across Africa, other constraints were identified as accounting for weak incumbent control. Two significant factors recurred across the examination of case studies as proximate causes. The first was political will, which has been the principal factor impeding the functioning of key anticorruption institutions. Symptoms of this phenomenon have primarily included the failure to enforce anticorruption measures and reforms where senior incumbents are mainly involved. Both the NDC and NPP administrations were found to have failed in providing such a commitment. The consequence of this failure contributed to the subsequent use of post-regime forms of accountability. Indeed, the difficulty with respect to incumbent oversight is what the Ghanaian proverb, quoted at the start of this conclusion, attempts to capture. As Ephson (2004) effectively denotes, the proverb can be applied to anticorruption given that it is only when an administration is no longer in office - when it dies - that accountability appears to be undertaken. As was detailed in this study, the NPP undertook numerous post-mortem measures against the Rawlings NDC administration. But, as Ghana's history has shown, post-mortem action only fuels accusations of being political witch-hunts, even when convincing evidence of corruption has been uncovered. Examples in this respect include the uproar that ensued after the conviction and imprisonment of two Rawlings era Ministers, in the Quality Grain case, and the Caridem trial, which involved Mrs. Rawlings and her accomplices in the matter of Nsawam Cannery's divestiture. These two cases generated deep acrimony between the NDC and NPP creating a

negative effect on political discourse. This underscores the need for effective incumbent oversight in order to depoliticize the issue of accountability.

Political will in terms of incumbent accountability is generally a tricky variable to quantify. Nonetheless juxtaposing two cases discussed - the incident involving ex-Minister of Sports, Mallam Ali Yusif Isa and that of Transport Minister, Richard Anane, examined in chapters 3 and 6 respectively - provides practical examples for clarification. In the case of Isa, on the media's publication of corruption allegations, President Kufuor moved swiftly to institute a probe. This led to Isa's subsequent prosecution, conviction and imprisonment. The argument made here is that political will was demonstrated to make an incumbent Minister accountable. In attempting to put forward explanations as to why this remains the only case in Ghana's history where an incumbent Minister has been jailed due to government commitment, the following factors were taken into account: Isa, as will be recalled, was a member of a minor opposition party - the PNC. This party had only teamed up with the NPP in a bipartisan effort to defeat the NDC in the 2000 presidential election run-off. Isa's appointment to the Sports Ministry was even not backed by his own party. These factors combined to make him an expendable Minister. For that matter, the political will to prosecute Isa did not involve any political cost for the ruling NPP. On the contrary, after corruption allegations were made in the press about Anane - an NPP Minister - the President failed to call for a probe. When CHRAJ, using its initiative, investigated the case and ruled that the Minister had abused his position and recommended he should be removed, the President, again, failed to indicate a commitment to accountability. It was pressure from a group within the NPP together with hardening public opinion that prompted Anane to tender his resignation. The Anane episode also demonstrates that, despite CHRAJ's operational independence, in the event of an unfavourable ruling, the Commission is dependent on the political will of government to ensure the enforcement of its recommendations. This case evidently underlines the argument that CHRAJ's lack of authority to criminally prosecute those investigated has limited its potential.

The second significant factor contributing to ineffective incumbent oversight was identified as weak internal control measures that exist within public institutions. As observed across the case studies, lax internal regulatory mechanisms have undercut anticorruption efforts. The evidence in this respect partly derives from non-compliance with rules and established procedures. In local government, for example, this allowed DA members on tender boards to award themselves contracts. In other instances, weak controls were maintained due to rents political leaders obtained. This was evident in the state enterprise case study - Ghana Airways. The airline's case offers ample evidence of how systemic failure of checks and balances deteriorated to the

point where even junior staff managed to embezzle substantial amounts in what increasingly looked like free-for-all plunder. Lastly, the Divestiture Committee's Goldcity scam underscores the absence of basic tenets of internal controls such as separation of duties and monitoring, as noted in the failure by the DIC board in its oversight responsibilities.

Overall, case studies, as emphasized at the start of this thesis, have their limitations with respect to generalizing from the evidence they provide. Nonetheless, the current findings add to the growing body of work on anticorruption in Ghana and help us in understanding that, in spite of Ghana's elaborate anticorruption system, effectiveness is limited when political will and internal controls are lacking. These findings call for a rethink with respect to the anticorruption framework. As such, the next section puts forward recommendations in four broad areas involving both a preventative and an enforcement approach to anticorruption.

7.3 Recommendations

7.3.1 Restructuring the public anticorruption framework and capacity building

The underlying principles behind the restructuring of the anticorruption framework are to improve the efficiency of ACAs as well as to mitigate the problem of political will. First, the mandate of CHRAJ requires an urgent review if the Commission is to be an effective anticorruption watchdog. As a matter of fact, the implication of the Supreme Court's landmark ruling, in relation to Anane's successful appeal, has dealt CHRAJ an awful hand. As will be recalled, the Court ruled that CHRAJ could not investigate allegations of corruption until a formal complaint had been filed by an identifiable entity. The ruling essentially tips the scales against the Commission, and to an extent turns the process of anticorruption on its head as CHRAJ may be consigned to the sidelines even when there are strong grounds for an enquiry. The proposed review of CHRAJ's mandate must spell out, plainly, the terms of reference and categories of corruption that the Commission pursues. A reasonable approach will be to make the Commission solely responsible for investigating allegations of corruption involving senior public office holders with or without a formal request. As a guide, the interpretation of 'senior' could be based on the category of public office holders designated under article 286 (5) of the 1992 Constitution and subsequently extended by the Public Offices Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550).³⁴² The SFO could then be charged with investigating all the other instances of corruption (which it partly does by default) involving mid-level officials and other non-incumbent related financial crimes committed against the state. This clarification of mandate may also help limit the pretence that the SFO will investigate cases involving incumbents when

³⁴² As noted in section 3.4.1, this includes the President, Ministers, DCEs, political aides and other government appointees.

in actual fact it does not.³⁴³ Not least, the above suggestions can also reduce potential overlap between the work of CHRAJ and SFO.

Second, this study proposes that prosecuting powers in the case of CHRAJ corruption investigations need to be detached from the executive branch of government, owing to the consistent lack of commitment to bring charges against incumbents. As earlier emphasized only the Attorney-General, also a government Minister of Justice, has the power to institute criminal prosecutions in Ghana. This constrains the anticorruption process. The two main political parties, the NDC and NPP, are however hostile to the idea of either the SFO or CHRAJ being granted prosecutorial powers. Suggestions to separate the office of the Attorney-General from that of the Ministry of Justice have also been rejected. But a re-calibration of the current system that balances power in the hands of fully independent institutions is required if effectiveness is to be achieved. The proposal here is for the appointment of an 'Independent Prosecutor' who will examine cases submitted by CHRAJ, involving senior public office holders, and have power to bring criminal charges.³⁴⁴ This recommendation may serve as a compromise as another independent office takes the final decision on when to press charges thus removing fears of an unbridled ACA. The criteria used in appointing the Independent Prosecutor could be based on the procedure for selecting the CHRAJ Commissioner.³⁴⁵ In this vein, the individual appointed will be qualified for selection to serve on the Court of Appeal and also granted security of tenure. To create further checks and balances, the President could nominate the Prosecutor with Parliament confirming the appointment. Additionally, the Prosecutor could be made accountable to Parliament. Overall, besides providing CHRAJ with a clarified mandate, the above proposals may improve incumbent accountability. In the long-term this could also stem the use of post-mortem measures.

Lastly, PAC is endowed with sufficient powers to act as a watchdog over the public finances, but with reference to scrutinizing the Auditor-General's reports, the committee has failed to live up to expectation. Part of this is due to the fact that, of the public ACAs studied in Ghana, PAC evidently lacked the capacity to effectively undertake its functions; the committee was by far the least resourced in terms of staff and logistics. A practical remedy should entail a process of capacity building in the areas of human, technical and logistical support. Regarding human

³⁴³ A prominent example reflecting this scenario is when the SFO announced in 2005 that it was investigating the so-called kickback saga. This case involved a remark by the NPP's national chairman that businesses awarded contracts made 'contributions' directly to Presidency. As of late 2008, nothing had evolved from the supposed probe.

³⁴⁴ The erstwhile United States Office of the Independent Counsel, established under the Ethics in Government Act of 1978, was set along similar lines. But in that case the Independent Counsel was appointed by a panel of judges from the United States Court of Appeals in the District of Columbia.

³⁴⁵ The evidence to date on the appointment of the CHRAJ Commissioner and Auditor-General, both made by the President, indicates that the independence of individuals placed in such positions can be reliable.

resources, the committee stands to benefit from a small research team that could engage in comprehensive evaluation of the wealth of data in audit and other reports the committee considers. Local think-tanks such as the IEA and CDD could assist with the process of training the proposed research staff. Technically, PAC requires a suitable toolkit that enables it to track compliance with recommendations. Logistically, the committee must also be equipped to publish its work on a more regular basis in order to facilitate monitoring by stakeholders. In general, a well-equipped PAC at the very least can help address the widespread irregularities involving low to mid-level officials and thus restore a measure of sanity into the public financial system.

The above proposals clearly require funding, which already remains a major grievance of anticorruption institutions. Even though donors have poured resources into governance, this has only allowed ACAs to teeter on the brink of survival. Yet, no original suggestions are put forward in this area as constructive proposals already exist. The foremost among these are recommendations for a fixed proportion of the national budget to be allocated to key governance institutions (Ayee, 1994c; NGP, 2003). In fact a similar formula currently exists for allocating development funds to local government Assemblies. This proposed system may shore-up the financial independence of ACAs and reduce the use of resource provision as a political tool by the executive. What must be emphasized is that the above funding proposals need to be adopted as a centrepiece in donor negotiations with government and also as a priority on civil society's advocacy agenda.³⁴⁶ To date both of these have not been done. Further, donors may need to consider harmonizing support for public ACAs, particularly, with regard to strengthening capacity. This is because although the scale of assistance required differs from one institution to another, in terms of logistics for example, donor support is not adequately harmonized and thus leaves aid unbalanced across ACAs. CHRAJ and SFO, to a considerable extent, have so far received more attention from donors compared to PAC.

7.3.2 Ethics reforms

What we observed from the case studies examined in local government and state enterprises is that conflicts of interest lie at the heart of many instances of corruption. This underlines the fact that Ghana's codes of conduct, which also entail asset declaration for senior public office holders, are not rigorously enforced. The asset declaration procedure mandates high-level public office holders to make submissions to the Auditor-General, yet no agency has been empowered to certify compliance. Besides, asset declarations are not verified and remain sealed except when a court, commission of enquiry or CHRAJ requests such a document for an investigation. This has made the process ineffective. But an enforced code of conduct and public asset

³⁴⁶ Donors could integrate anticorruption funding into the MDBS scheme which was discussed in chapter 4.

declaration are fundamental in corruption prevention. Thus a reform of the procedure is required. CHRAJ has advocated the need for ethics education and made strides in this direction by drafting conflict of interest guidelines. Nonetheless, the Commission's proposals are neither mandatory nor far-reaching.

A useful approach will be for CHRAJ to be handed responsibility for enforcing a verifiable asset declaration process. This task will tie in well with the earlier suggestion of delegating corruption investigations, involving the same category of public office holders, to the Commission. The new requirement for the disclosure of assets must also include those of spouses as a preventative measure. This is because lessons drawn from some corruption cases point to the fact that sources of unexplained income have, on occasion, been assigned by public officers to their spouses. A system must also be put in place to ensure a continuous process of disclosure - at least every six months - of all interests, gifts or favours received after the initial declaration has been made. To assist with the reforms in this area, the Accountability Office could be transformed into an ethics bureau. This unit can take on a proactive role by conducting orientation programmes on codes of conduct for public office holders, in addition to serving as an outfit where advice and assistance on asset declaration compliance can be sought. On the whole, an enforced code of conduct for public officers can help limit both potential conflicts of interests and the recriminations over illicit asset ownership which remains a hallmark of Ghanaian politics.

7.3.3 Internal controls

As the findings above indicate, weak institutional controls in the public sector have undermined the anticorruption process. A substantial proportion of district level corruption, for example, stems from the failure to follow rules and procedures. Thus ensuring tighter controls should become a priority over the more sustained argument for directly elected DCEs, which is touted as a potential accountability measure in local government. This is because, without addressing the underpinning lax institutional measures, Assembly finances remain vulnerable to activities that generate extensive corruption. The key remedy revolves around ensuring compliance with established procedures and processes. In this respect, the NPP government made a useful contribution by enacting the Financial Administration Act, 2003 (Act 654) and Public Procurement Act, 2003 (Act 663) – these laws revised public financial administration rules and procurement guidelines. Another safeguard to ensure these processes are followed, the Internal Audit Agency Act, 2003 (Act 658), however raises concern. The Internal Audit law aims to provide 'real-time' scrutiny of public financial management, by assigning internal auditors to public institutions. But given that internal audit recommendations are to be implemented by Audit

Report Implementation Committees (ARICs), the same intra-departmental units charged with enforcing the Auditor-General's proposals, the prospects do not look encouraging. As earlier argued, ARICs are non-existent in most government departments, even though required by law. Further, where they exist, ARICs have not been proficient in implementing audit recommendations. Granting an independent body, such as the internal audit agency, powers to ensure that ARICs are established and do carry out their functions may be necessary for the internal audit legislation to achieve its goal of strengthening institutional controls.

7.3.4 Civil society outreach

Sustainable anticorruption programmes entail a root and branch approach. This means top-down measures of ACAs must be combined with broad public awareness aimed at engendering support for anticorruption. Indeed, evidence has shown that effective public awareness campaigns can steadily bring about intolerance to corruption - even when culture is claimed to be a contributing factor. In this area of public education, civil society plays an important role. Presently, most governance CSOs are clustered around Accra and, despite occasional workshops across districts, outreach outside the capital is limited. Two recommendations are made to address this situation. First, a partial decentralization of governance civic groups is needed. As a start, at least three regional offices, sited strategically across Ghana, could make a useful contribution in expanding grassroots awareness and simultaneously enhancing local level governance through monitoring. Well-positioned CSOs, working with groups such as the media, could foster a more accountable government through bottom-up pressure that induces government to act against corruption. The second issue relates to funding. Currently, most governance civil society groups subsist on donors and the proposed expansion will require additional resources. Donors could support this scheme at the outset, but in the long-term, training civic groups on local fundraising must take centre stage to make them more independent. A scheme of matching funds locally raised by CSOs could be used by donors as an initial incentive.

7.4 Limitations and future research

Some key limitations of this thesis need to be considered. First, the lack of current data served as a drawback. In one respect, this resulted from a lack of access to official records in areas such as the sale of state enterprises by the current NPP administration. Consequently, a broader examination of divestiture related irregularities, to include cases which possibly occurred under the NPP, could not be done. The ongoing pressure on government to pass the stalled freedom of information bill may help address this problem. In other scenarios, the lack of recent data was due to the unavailability of material. As of 2006 for example, audit reports on district level

finances, a vital source of information on DA management, lagged behind scheduled publication by about five years. Moreover, the year 2006, which is this thesis cut-off point and reflects the end of my fieldwork, meant that the last two years of the NPP government were not covered, hence constraining an equal time span comparison with the NDC. This was because most of the pertinent data had to be collected in Ghana. Lastly, as only two key areas - local government and state enterprises - were used as case studies, the findings may not always be applicable to other areas within the public sector.

Anticorruption looks set to continue as a priority on the international agenda. But enhanced understanding of best practices and ineffective strategies calls for further academic work. One area requiring additional research relates to accountability measures in Ghana's education sector, which have so far received little attention. What makes research in this area crucial is the fact that, over the last few years, the Ghanaian government has allocated a substantial amount of funds to the education sector owing to the introduction of the Ghana School Feeding Programme (GSFP).³⁴⁷ Whilst initial appraisals suggests enrolment and attendance at the primary level have increased, the prognosis in terms of the programme's financial management looks grim due to increasing reports of corruption. Research work is required to provide a better understanding of the types of corruption in this decentralized scheme, why oversight structures are ineffective and how ACAs have responded. Also, the recent implementation of several reforms, including the establishment of a Local Government Service and changes to contract awards through the new procurement and financial administration laws, calls for an empirical study that evaluates the impact of these measures. Research that builds on the present study by comparing contract irregularities in selected local government districts before and after the implementation of these reforms could be useful. Finally, Ghana's increasing prominence in recent years - as a major hub for drug trafficking - has entered a new factor into the corruption equation. This is because some senior public officials are said to facilitate this burgeoning trade. Research is needed to determine government's response, particularly over the last decade, and to establish the extent to which senior officials cited in drug-related investigations are held accountable.

Corruption has no conclusive cure. Further, irrespective of the measures aimed at limiting the phenomenon, some individuals will always attempt to abuse public office. In this regard, a useful

³⁴⁷ The GSFP aims to providing one hot lunch every school day for pupils in state schools - kindergarten to primary six. The scheme is currently being executed on a pilot basis in schools across all of Ghana's districts and anticipated to run until 2010, by when an estimated 1.5 million children are expected to be covered. After this period, the programme is intended to be implemented nationwide. Besides addressing illiteracy, the underlining goals include tackling poverty, child malnutrition, and increasing school enrolment and retention.

reminder is provided by Ephson (2004) who recounts a story, perhaps fictional, of a Ghanaian policeman who claims to have investigated a corruption case that concluded with the perpetrator serving a one-year jail term. On release, the ex-convict is said to have visited the police officer and expressed foolishness over the \$2,000 corruption incident that sent him to prison. This was not the result of being chastened. On the contrary, the young man in question had come across others who had, apparently, received only two-year sentences for larger amounts ranging from \$50,000 to \$200,000. Indeed this tale also puts into perspective what is said to be the unwritten rule of Ghanaian corruption: "*chop*, but *chop* big" (Ephson 2004:3). But, as is often the case, 'big men' who in many instances engage in this type of grand corruption are not made accountable - at least whilst in office. As accurately depicted by Armah in *The Beautiful Ones Are Not Yet Born* and cited at the start of this chapter, the scenario whereby government elites, the so-called 'big' corrupt individuals, evade the net of accountability is what breeds cynicism towards incumbent anticorruption declarations.

Over the course of the Fourth Republic, moderate progress has been achieved in the area of anticorruption. Yet the tricky issue of political will, above all, remains a strong force inhibiting credible incumbent oversight. This has contributed to the resurgence of post-regime accountability thus highlighting the limitations of the current anticorruption system. Ghana's recent discovery of oil makes the case for effective corruption control a more critical issue today than at any other time in the nation's history. Not least, this because of the cautionary lessons that can be drawn from other countries in the region in what is often referred to as the 'resource curse'. Avoiding the path towards the potential pitfalls and making government more accountable is a challenge to Ghana's political leaders and society at large. In order to move the anticorruption process ahead, turning political rhetoric into action could be a useful start.

Bibliography

Primary sources

Auditor-General's Reports

Report and Financial Statements by the Accountant-General and Report thereon by the Auditor-General for the year ended 30 June 1960. Accra: Ministry of Information.

Report and Financial Statements by the Accountant-General and Report thereon by the Auditor-General for the year ended 30 September 1963. Accra: Ministry of Information.

Report of the Auditor-General on the Accounts of Ghana for the Financial Year ended 30 June 1961. Accra: Auditor-General's Department.

Report by the Auditor General on the Accounts of Ghana. Third Report for 1971. Public Boards and Corporations 1967-68/ 1968-69. Tema: Ghana Publishing.

Report by the Auditor General on the Accounts of Ghana. Second Report for 1974. Local Authorities and Pre-University Educational Institutions. 1970/ 71; 1971/72 and 1972/73. Tema: Ghana Publishing.

Report by the Auditor General on the Accounts of Ghana. Second Report for 1975. Treasury Accounts 1972-72/ 1972-73. Tema: Ghana Publishing.

Report of the Auditor-General on the Public Accounts of Ghana for 1994: District Assemblies and Traditional Councils (DATC). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 1994: The District Assemblies Common Fund (DACF). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 1996: District Assemblies and Traditional Councils (DATC). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 1996: The District Assemblies Common Fund (DACF). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for the three year period ended 1997: Public Boards, Corporations and other Statutory Institutions. Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 1997-2000: District Assemblies and Traditional Councils (DATC). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 1997-2000: The District Assemblies Common Fund (DACF). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 1997: Ministries, Departments and other Agencies of Central Government (MDA's). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 1999: Ministries, Departments and other Agencies of Central Government (MDA's). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 2000: Ministries, Departments and other Agencies of Central Government (MDA's). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 2001: Ministries, Departments and other Agencies of Central Government (MDA's). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 2002: Ministries, Departments and other Agencies of Central Government (MDA's). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 2003: Ministries, Departments and other Agencies of Central Government (MDA's). Accra: Auditor-General's Department.

Report of the Auditor-General on the Public Accounts of Ghana for 2004: Ministries, Departments and other Agencies of Central Government (MDA's). Accra: Auditor-General's Department.

Bank of Ghana Reports

Bank of Ghana. 1996. Annual Report. Accra: Bank of Ghana.

Bank of Ghana. 1999. Annual Report. Accra: Bank of Ghana.

Bank of Ghana. 2003. Annual Report. Accra: Bank of Ghana.

Bank of Ghana. 2004. Annual Report. Accra: Bank of Ghana.

Bank of Ghana. 2007. Annual Report. Accra: Bank of Ghana.

CHRAJ Reports

Commission on Human Rights and Administrative Justice (CHRAJ). 1994. Annual Report 1993-1994. Accra: CHRAJ.

Commission on Human Rights and Administrative Justice (CHRAJ). 1995. Annual Report 1995. Accra: CHRAJ.

Commission on Human Rights and Administrative Justice (CHRAJ). 1996a. Annual Report 1996. Accra: CHRAJ.

Commission on Human Rights and Administrative Justice (CHRAJ). 1996b. Report: In the Matter of Investigations into Allegations of Illegal Acquisition of Properties by Mr. Paul Victor Obeng. Accra: CHRAJ.

Commission on Human Rights and Administrative Justice (CHRAJ). 1996c. Report: In the Matter of Investigations into Allegations of Illegal Acquisition of Properties by Col. E.M. Osei-Wusu. Accra: CHRAJ.

Commission on Human Rights and Administrative Justice (CHRAJ). 1996d. Report: In the Matter of Investigations into Allegations of Illegal Acquisition of Properties by Dr. Isaac Kofi Adjei-Maafa. Accra: CHRAJ.

Commission on Human Rights and Administrative Justice (CHRAJ). 1997. Annual Report 1997. Accra: CHRAJ.

Commission on Human Rights and Administrative Justice (CHRAJ). 1998. Annual Report 1998. Accra: CHRAJ.

- Commission on Human Rights and Administrative Justice (CHRAJ). 1999. Annual Report 1999. Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2000 Annual Report 2000. Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2001a. Annual Report 2001. Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2001b. Cases of the Commission on Human Rights and Administrative Justice, 1994-2000. Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2002. Annual Report 2002. Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2003. Annual Report 2003. Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2005. Guidelines on Conflict of Interest (Draft). Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2006a. Report of a Preliminary Investigation by the Commission on Human Rights and Administrative Justice into Allegations of Corruption and Conflict of Interest against His Excellency, J.A. Kufuor, President of the Republic of Ghana, in respect of the Acquisition of a "Hotel" at Airport West, Accra. Accra: CHRAJ.
- Commission on Human Rights and Administrative Justice (CHRAJ). 2006b. In the Matter of Investigations into Allegations of Corruption, Conflict of Interest and Abuse of Power against Hon. Dr. Richard Anane (MP) and Minister for Road Transport. Accra: CHRAJ.
- Commission of Enquiry Reports and Government White Papers
- Report of the Commission of Enquiry into Disturbances in the Gold Coast (Watson Commission). 1948. London: His Majesty's Stationery Office.
- Report of the Commission of Enquiry into Mr. Braimah's Resignation and Allegations Arising Therefrom (Korsah Commission). 1954. Accra: Government Printing Department.
- Report of the Commission of Enquiry into Alleged Irregularities and Malpractices in connection with the Issue of Import Licences (Akainyah Commission). 1964. Accra: Ministry of Information.
- Report of the Commission of Enquiry into Trade Malpractices in Ghana (Abraham Commission). 1965. Accra: Office of the President.
- Report of the Commission of Enquiry into Irregularities and Malpractices in the Grant of Import Licences (Summary) (Ollenu Commission). 1967. Accra: Ministry of Information.
- Report of the Commission of Enquiry on Bribery and Corruption (Final Report) (Anin Commission). 1974. Tema: Ghana Publishing.
- Report of the Taylor Assets Committee to Enquire into the Assets of Scheduled Persons (Taylor Committee) Part I. 1974. Tema: Ghana Publishing.
- White Paper on the Report of the Commission of Enquiry into the Alleged Irregularities and Malpractices in connection with the Grant of Import Licences. 1967. W.P. 4/67. Accra: Ministry of Information.

White Paper on the Report of the Jiagge Commission of Enquiry into the Assets of specified Persons. 1969. W.P.3/69. Tema: Ghana Publishing.

White Paper on the First, Second and Third Interim Reports of the Commission of Enquiry on Bribery and Corruption. 1972. W.P. No. 2/72. Tema: Ghana Publishing.

White Paper on the Third Interim Report of the Commission of Enquiry into Bribery and Corruption. 1973. W.P. No. 5/73. Tema: Ghana Publishing.

White Paper on the Report of the Commission of Enquiry into Trade Malpractices in Ghana. 1974. W.P. No. 1/74. Tema: Ghana Publishing.

Legislation

Armed Forces Revolutionary Council (Special Courts) Decree, (AFRC Decree 3) 1979.

Armed Forces Revolutionary Council and In-coming Peoples National Party Administration Joint Planning Commission Decree, (AFRC Decree 7) 1979.

Audit Service Act, 2000 (Act 584).

Citizens Vetting Committee Law, 1982 (PNDC Law 1).

Corrupt Practices (Prevention) Act, 1964 (Act 230).

Criminal Code, 1960 (Act 29).

Criminal Code (Amendment) Act, 1993 (Act 458).

Divestiture of State Interests (Implementation) Law, 1993 (PNDC Law 326).

Financial Administration Act, 2003 (Act 654).

Financial Administration Decree, 1979 (SMCD 221).

Internal Audit Agency Act, 2003 (Act 658).

Investigation and Forfeiture of Assets Decree, 1972 (NRC Decree 19).

Local Government Act, 1993 (Act 462).

Local Government (District Tender Boards) (Establishment) Regulations, LI 1995 (LI 1606).

National Investigations Committee Law, 1982 (PNDC Law 2).

National Liberation Council (Auditor-General's Functions) Decree, 1966 (NLCD12).

Newspaper Licensing Law, 1989 (PNDC Law 211).

Public and Political Party Office Holders (Declaration of Assets and Eligibility) Law, 1992 (PNDCL 280).

Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550).

Public Procurement Act, 2003 (Act 663).

Public Property (Protection) and Corrupt Practices (Prevention) Act, 1962 (Act 121).

Public Tribunals Law, 1984 (PNDC Law 78).

The Commission on Human Rights and Administrative Justice Act, 1993 (Act 456).

The Commission on Human Rights and Administrative Justice (Complaint Procedure) Regulations, 1994 Constitutional Instrument No. 7.

The Serious Fraud Office Act, 1993 (Act 466).

Whistleblower Act, 2006 (Act 720).

Parliamentary Debates

Parliamentary Debates. 29 April 1993. The Sessional Address.

Parliamentary Debates. 1 December 1993. First report of the Public Accounts Committee on the Auditor-General's Report covering the period 1 July 1979 to 31 December 1989 and interim report for Period January 1990 to December 1992.

Parliamentary Debates. 6 January 1994. The Sessional Address.

Parliamentary Debates. 13 December 1994. Reports of the Public Accounts Committee on Auditor-General's Report on the Public Accounts of Ghana for the period ending 31 December 1992 (i) Financial Institutions and Institutions of Higher Learning) and (ii) District Assemblies and Traditional Councils.

Parliamentary Debates. 15 December 1994. Reports of the Public Accounts Committee on Auditor-General's Report on the Public Accounts of Ghana for the period ending 31 December 1992 (i) Financial Institutions and Institutions of Higher Learning) and (ii) District Assemblies and Traditional Councils.

Parliamentary Debates. 21 November 1995. Sixth Report of the Public Accounts Committee on the Auditor-General's Report for the period ending 31 December 1992 (Financial Institutions and Institutions of Higher Learning).

Parliamentary Debates. 22 May 1996. Eighth Report of the Public Accounts Committee on the Auditor-General's Report for the period ending 31 December 1992 (Public Boards and State Enterprises).

Parliamentary Debates. 15 January 1998. The Sessional Address.

Parliamentary Debates. 18 March 1998. Consideration stage debate: Public Office Holders (Declaration of Assets and Disqualification) Bill.

Parliamentary Debates. 16 July 1998. Report of the Public Accounts Committee on Auditor-General's Report on District Assemblies and Traditional Councils for the period ending 31 December 1994.

Parliamentary Debates. 17 July 1998. Report of the Public Accounts Committee on the Auditor-General's Report on District Assemblies and Traditional Councils for the period ending 31 December 1994.

Parliamentary Debates. 12 November 1998. Auditor-General's Report on Public Boards, Corporations and Statutory Institutions for period ending 31 December 1994.

Parliamentary Debates. 14 January 1999. The Sessional Address.

Parliamentary Debates. 13 January 2000. The Sessional Address.

Parliamentary Debates. 27 June 2000. Report of the Public Accounts Committee on Ministries Departments and Agencies (MDAs) of central government for period ending 31 December 1996.

Parliamentary Debates. 11 July 2000. Report of the Public Accounts Committee on Ministries Departments and Agencies (MDAs) of central government for period ending 31 December 1997.

Parliamentary Debates. 23 October 2001. Report of the Public Accounts Committee on Ministries Departments and Agencies (MDAs) of central government for period ending 31 December 1997.

Parliamentary Debates. 31 January 2002. State of the Nation Address.

Parliamentary Debates. 17 May 2002. Financial Losses to Asikuma-Odoben-Brakwa District Assembly.

Stand-alone Parliamentary Reports

Public Accounts Committee (PAC). 1964. First, Second and Third Report from the Public Accounts Committee of the National Assembly, 1964. Tema: State Publishing.

Public Accounts Committee (PAC). 1965. Report from the Public Accounts Committee of the National Assembly, 1965. Tema: State Publishing.

Public Accounts Committee (PAC). 1970. First Session of the First Parliament of the Second Republic. First Report from the Public Accounts Committee of the National Assembly. Tema: Ghana Publishing.

Public Accounts Committee (PAC). 2000. Report of the Public Accounts Committee on the Auditor General's Report for Ministries, Departments and other Agencies of Central Government for 1996. 30 May Accra: PAC.

Public Accounts Committee (PAC). 2001. Report of the Public Accounts Committee on the Auditor General's Report for Ministries, Departments and other Agencies of Central Government (Judicial Service). 24 July. Accra: PAC.

Public Accounts Committee (PAC). 2003. Report of the Public Accounts Committee on the Award of Contract for the Renovation of the Official Residence of the Chief Executive of the Wenchi District Assembly in The Brong Ahafo Region. 16 December. Accra: PAC.

SFO reports

Serious Fraud Office (SFO). 1997. Annual Report. Accra: SFO.

Serious Fraud Office (SFO). 1998. Annual Report. Accra: SFO.

Serious Fraud Office (SFO). 1999. Annual Report. Accra: SFO.

Serious Fraud Office (SFO). 2000a. Annual Report. Accra: SFO.

Serious Fraud Office (SFO). 2000b. Your Questions Answered. Volume 1. Accra: SFO.

Serious Fraud Office (SFO). 2001. Annual Report. Accra: SFO.

Serious Fraud Office (SFO). 2002. Annual Report. Accra: SFO.

Serious Fraud Office (SFO). 2003. Annual Report. Accra: SFO.

Serious Fraud Office (SFO). 2004. Annual Report. Accra: SFO.

Other official documents

Ghana Statistical Service (GSS). 2002. Population and Housing Census, 2000: Summary of Field Results. Accra: Ghana Statistical Service.

Information Services Department (Ghana). Undated. *A Revolutionary Journey: Selected Speeches of Flt- Lt Jerry John Rawlings, Chairman of the PNDC*. Volume One, December 31, 1981 to December 31, 1982.

Information Services Department (Ghana). Undated. *Forging Ahead: Selected speeches of Flt- Lt Jerry John Rawlings, Chairman of the PNDC*. Volume 2, January 1, 1983 to December 31, 1983.

Republic of Ghana. 1962. Sessional Address delivered by Osagyefo the President to the National Assembly. 2 October Accra: Ministry of Information.

Republic of Ghana. 1969. Constitution of the Republic of Ghana, 1969. Tema: Ghana Publishing.

Republic of Ghana. 1979. Constitution of the Republic of Ghana, 1979. Tema: Ghana Publishing.

Republic of Ghana. 1992. Constitution of the Republic of Ghana, 1992. Tema: Ghana Publishing Corporation.

Republic of Ghana. 2006. State of the Nation Address Presented to Parliament by H.E President John Agyekum Kufuor on 31 January.
Available at: <http://www.ghana.gov.gh/dexadd/Presidents%20sessional%20address%20to%20parliament.pdf> [Accessed 3 March 2008].

Right to Information Bill, 2003. Accra: Ministry of Information.

Court cases

Supreme Court of Ghana Law Reports (SCGLR). 1999. *Attorney-General v. Commission on Human Rights and Administrative Justice (No2)*. Accra: Supreme Court of Ghana Law Reports (SCGLR) 1998-99 pp. 894-903

The Republic v. Ibrahim Adam, Samuel Dapaah, Kwame Peprah, George Yankey and Ato Dadzie (2003). Judgement of the Fast Track High Court, Monday the 28 April 2003.
Available at: <http://www.datacenta.com/Quality%20Grain.pdf> [Accessed 20 January 2009].

List of Interviewees

Name	Position and Organization	Interview Date
Maulvi Wahab Adam	Ameer and Missionary-in-Charge, Ahmadiyya Muslim Mission (Ghana)	17 January 2006
Frank Agyekum	Governance Spokesperson, Ministry of Information	10 February 2006
Paul Collins Appiah-Ofori	Member of Parliament, Asikuma-Odoben-Brakwa	9 December 2005
Doris Archampong	Greater Accra Regional Director, Commission for Civic Education	21 December 2005

Name	Position and Organization	Interview Date
Daniel Arghiros	Governance Advisor, Department for International Development (Ghana Office)	21 February 2006
Yaw Asamoah	Programme Officer, National Governance Programme	24 May 2004
Charles Ayamdoo	Deputy-Director, Anticorruption, Commission on Human Rights and Administrative Justice	13 February 2006
Alban Bagbin	Member of Parliament, Nadowli, Minority Leader of Parliament and Chairman, Public Accounts Committee	10 May 2004
Daniel Batidam	Executive Secretary, Ghana Integrity Initiative	7 May 2004
Bright Blewu	General Secretary, Ghana Journalists Association	26 January 2006
Florence Dennis	Executive Secretary, Ghana Anticorruption Coalition	13 January 2006
Haruna Iddrisu	Member of Parliament, Tamale South	9 December 2005
Kwesi Jonah	Governance Analyst, Institute of Economic Affairs (Ghana)	14 December 2005
Emmanuel Gyimah-Boadi	Executive Director, Ghana Center for Democratic Development	20 May 2004
Fanny Kumah	Director Public Education, National Commission for Civic Education	20 December 2005
Smile Dem Kwawukume	Public Sector Management Specialist, World Bank (Ghana Office)	19 January 2006
Ted Lawrence	Democracy & Governance Officer, United States Agency for International Development (Ghana Office)	26 January 2006
"M"	Anonymous	20 December 2005
Tetteh Mensah	Deputy-Executive Director, Serious Fraud Office	12 January 2006
James Nicol	Administrator, District Assembly Common Fund	5 December 2006
Kofi Nti	Senior Official, Accountant General's Department	17 May 2004

Name	Position and Organization	Interview Date
Kwame Oduro	Chairman, Office of Accountability	16 January 2006
Charles Palmer-Buckle	(Catholic) Metropolitan Archbishop of Accra	2 February 2006
Cammiilo Pwanamang	Clerk, Public Accounts Committee, Parliament	16 November 2005
"Q"	Anonymous	1 December 2005
Mechthild Runger	Good Governance Programme Manager, German Development Cooperation (Ghana Office)	7 February 2006
Emmanuel Osei Wusu**	Senior Investigator, Serious Fraud Office	20 January 2006; 31 January 2006; 8 February 2006; 12 June 2007
"X"	Anonymous	4 January 2006
Suzan-Hermina Yemidi	Programme Officer, Danish International Development Agency (Ghana Office)	18 January 2006

*All the above interviews were undertaken in Accra.

** The interviews with Emmanuel Osei Wusu have been counted as four separate discussions, as each session tackled a different aspect of the fraud office's anticorruption work.

Secondary sources

Ades, A. and Di Tella, R. 1999. 'Rents, competition and corruption'. *The American Economic Review*, 89 (4), pp. 982-993.

Adler, S. 2005. Ghana: 2005 World press freedom review. International Press Institute. Available at: http://www.freemedia.at/cms/ipi/freedom_detail.html?country=/KW0001/KW0006/KW0157/&year=2005 [Accessed 5 March 2008].

Africa Confidential. 1980. 'Ghana: trial of strength'. *Africa Confidential*, 21 (1), pp. 1-3.

Africa Confidential. 2003a. 'I'm Sam fly, me'. *Africa Confidential*, 43 (15), p. 7.

Africa Confidential. 2003b. 'Musical chairs'. *Africa Confidential*, 44 (10), p. 2.

Africa Confidential. 2004. 'Fly me, I'm Moroni'. *Africa Confidential*, 45 (12), p. 8.

Africa Confidential. 2005a. 'Money-go-round'. *Africa Confidential*, 46 (25), p. 3.

Africa Confidential. 2005b. 'A test for the peers'. *Africa Confidential*, 46 (19), p. 6.

Africa Confidential. 2008. 'Ghana: cocaine cops'. *Africa Confidential*, 49 (3), p. 12.

Africa Research Bulletin. 2002. 'Communications and transport: Ghana'. *Africa Research Bulletin* (Economic Financial and Technical Series), 39 (6), p.15266.

- Africa Watch*. 1992. 'Ghana: revolutionary injustice - abuses of the legal system under the PNDC government'. *Africa Watch*, (4) 1.
Available at: <http://www.unhcr.org/refworld/pdfid/45cc67982.pdf> [Accessed 20 May 2008].
- African Peer Review Mechanism (APRM). 2005. *Country Review Report on the Republic of Ghana*. Midrand: APRM Secretariat.
- Afrobarometer Report. 2008. 'How Ghanaians rate the performance of the NPP Administration'. *Afrobarometer Briefing Paper*, 49. Available at: <http://www.afrobarometer.org/papers/AfrobriefNo49.pdf> [Accessed 14 November 2008].
- Agyeman-Duah, B. 1987. 'Ghana, 1982-6: the politics of the PNDC'. *Journal of Modern African Studies*, 25 (4), pp. 613-642.
- Ahwoi, K. 2000. 'Enhancing the decentralisation programme: District Assemblies and sub-structures as partners in governance'. *IEA Occasional Paper* 25.
- Ahwoi, K. 2005. 'Re-centralisation within decentralisation: a review of the Local Government Service Act, 2003 (Act 656)'. *IEA Policy Analysis*, June.
- Akumatey, B. 2002. 'The cultural context of bribery and corruption'. In *Corruption and Development in Africa*. Seminar proceedings of the Ghana Academy of Arts and Sciences. Accra: Ghana Academy of Arts and Sciences.
- Akyeampong, E. 2005. 'Diaspora and drug trafficking in West Africa: a case study of Ghana'. *African Affairs*, 104 (416), pp. 429-447.
- Alden, C. 2007. *China in Africa*. London: Zed Books.
- Alesina, A. and Weder, B. 2002. 'Do corrupt governments receive less foreign aid?' *The American Economic Review*, 92 (4), pp. 1126-1137.
- Alhassan-Alolo, N. 2007. 'Gender and corruption: testing the new consensus'. *Public Administration and Development*, 27 (3), pp. 227-237.
- Amoako-Tuffour, J. 2002. *Ghost Names, Shadow Workers and the Public Sector Wage Bill*. Accra: Institute of Economic Affairs.
- Amonoo, B. 1981. *Ghana, 1957-1966: The politics of institutional dualism*. London: Allen and Unwin.
- Ampaw, A. 1997. 'The legal regime and journalism practice in Ghana: media accountability'. *The Ghanaian Chronicle*, 12 March.
- Amundsen, I. 2000. *Corruption: Definitions and Concepts*. Christian Michelsen Institute. Available at: <http://www.u4.no/document/showdoc.cfm?id=23> [Accessed 4 April 2007].
- Ansah, J.O. 2002. 'Ghana Airways is going under'. *New African*, 409, p. 18.
- Archer, R. 2004. 'A-G struggles to defend anti-corruption record'. *The Ghanaian Chronicle*, 1 December.
- Arhin, K. 1971. 'Urgently needed: a genuine revolution'. *The Legon Observer*, 19 November pp. 4-6.
- Arikan, G.G. 2004. 'Fiscal decentralization: a remedy for corruption?' *International Tax and Public Finance*, 11 (2), pp. 175-195.

- Armah, A.K. 1985. *The Beautiful Ones Are Not Yet Born*. London: Heinemann.
- Asamoah-Gyadu, J.K. 2005. "'Christ is the answer': what is the question? A Ghana Airways prayer vigil and its implications for religion, evil and public space'. *Journal of Religion in Africa*, 35 (1), pp. 93 -117.
- Asante, A.N. 2005. 'The fight against corruption: GII calls for proactive, concrete action'. *The Chronicle*. 16 November.
- Asante, C.E. 1996. *The Press in Ghana: Problems and prospects*. Lanham, Maryland: University Press of America.
- Asibuo, S.K. 2002. *The Role of the Commission on Human Rights and Administrative Justice (CHRAJ) in Promoting Public Service Accountability under Ghana's Fourth Republic*. Tangier: CAFRAD.
- Attafuah, K.A. 2002. 'Zero tolerance for corruption: myth or reality? *Center for Democratic Development Critical Perspectives*, No. 11.
- Ayee, J.R.A. 1994a. 'A decade of accountability under Ghana's Provisional National Defence Council (PNDC) government'. *Research Review*, 10 (1 & 2), pp. 61-76.
- Ayee, J.R.A. 1994b. *An Anatomy of Public Policy Implementation: The case of decentralization policies in Ghana*. Aldershot: Avebury.
- Ayee, J. R. A. 1994c. 'Notes on the Commission on Human Rights and Administrative Justice under the 1992 Ghanaian Constitution'. *Law and Politics in Africa, Asia and Latin America*, 1 (2), pp.159 -170.
- Ayee, J. R. A. 1996. 'The measurement of decentralization: the Ghanaian experience, 1988-92'. *African Affairs*, 95 (378), pp. 31-50.
- Ayee, J.R.A.1997a. 'Local government reform and bureaucratic accountability in Ghana'. *Regional Development Dialogue*, 18 (2), pp. 86–104.
- Ayee, J.R.A. 1997b. 'The adjustment of central bodies to decentralization: the case of the Ghanaian bureaucracy'. *African Studies Review*, 40 (2), pp. 37-57.
- Ayee, J.R.A. 1999. 'Corruption, decentralization and local development in Ghana'. *IEA Governance Newsletter*, April.
- Ayee, J.R.A. 2000a. 'Ghana: the continuing search for cures in the fight against corruption'. In Hope, K. R and Chikulo, B.C. (eds). *Corruption and Development in Africa: Lessons from country case-studies*. Basingstoke: Macmillan.
- Ayee, J. R. A. 2000b. *Making Governments Transparent in Africa: The Ghanaian case study*. Tangier: CAFRAD.
- Ayittey, G. B.N. 2000. 'Combating corruption in Africa: analysis and context'. In Hope, K.R. and Chikulo, B. C. (eds). *Corruption and Development in Africa: Lessons from country case-studies*. Basingstoke: Macmillan.
- Azeem, V., Akolgo, B., Breakell, L., Paalman, M., Poate, D and Rothman, I. 2006. *Evaluation of DFID Country Programmes: Country study Ghana, 2000-2005*. Department for International Development. Available at: <http://www.dfid.gov.uk/aboutDFID/performance/files/ev662.pdf> [Accessed 14 November 2007].

- Baah-Wiredu, K. 1998. 'Ghanair accounts under microscope'. *The Ghanaian Chronicle*, 4 March.
- Baah-Wiredu, K. 2003. 'Preparations towards election 2004: creation of new District Assemblies'. *Center for Democratic Development Briefing Paper*, 5 (3), pp. 1-2.
- Bardhan, P. and Mookherjee, D. 2006. 'Decentralization, corruption and government accountability'. In Rose-Ackerman, S. (ed.). *International Handbook on the Economics of Corruption*. Cheltenham: Edward Elgar.
- Bayart, J-F. 1993. *The State in Africa: The politics of the belly*. London: Longman.
- Bayart, J-F. 1999. 'The social capital of the felonious state'. In Bayart, J-F., Ellis, S. and Hibou, S. *The Criminalization of the State in Africa*. Oxford: James Currey.
- Bentsi-Enchill, N.K. 1989. 'Assemblies and issues'. *West Africa*, 6 February, p.183.
- Bergmann, A. 2008. *Public Sector Financial Management*. Harlow: Prentice Hall Financial Times.
- Bhatta, G. 1997. 'Comment'. *Regional Development Dialogue*, 18 (2), pp. 81-85.
- Boachie-Danquah, Y. 2001. 'Reducing corruption at the local government level. *GIMPA Journal of Leadership, Management and Administration*, 1 (1), pp.103-126.
- Blay-Amihere, K. 1987. 'Press and government in Africa'. *Index on Censorship*, 16 (7), pp. 32-41.
- Blundo, G.2006. 'Corruption in Africa and the social sciences: a review of the literature'. In Blundo, G., De Sardan, J-P.O., Arifari, N.B. and Alou, T. *Everyday Corruption and The State: Citizens and public officials in Africa*. London: Zed Books.
- Boateng, C. 2006. 'Anane paid newspapers not to publish stories - Archer'. *Daily Graphic*, 23 February.
- Brademas, J. and Heimann, F.1998. 'Tackling international corruption: no longer a taboo'. *Foreign Affairs*, 77 (5), pp.17-22.
- Brinkerhoff, D.W. 2000. 'Assessing political will for anti-corruption efforts: an analytical framework'. *Public Administration and Development*, 20 (3), pp. 239-252.
- Broadman, H.G. 2008. 'China and India go to Africa.' *Foreign Affairs*, 87 (2), pp. 95-109.
- Brunetti, A. and Weder, B. 2003. 'A free press is bad news for corruption'. *Journal of Public Economics*, 87 (7 & 8), pp.1801-1824.
- Brinkerhoff, D.W.2000. 'Assessing the political will for anti-corruption efforts: an analytical framework'. *Public Administration and Development*, 20 (3), pp. 239-252.
- Buah, F.K. 1998. *A History of Ghana*. London: Macmillan.
- Bulte, E.H., Damania, R. and Deacon, R.T. 2005. 'Resource intensity, institutions, and development'. *World Development*, 33 (7), pp. 1029-1044.
- Catholic Bishops Conference (CBC). 1999. *Ghana Bishops Speak: A collection of communiqués, memoranda and pastoral letters of the Ghana Catholic Bishops' Conference*. Accra: National Catholic Secretariat.

Catholic Bishops Conference (CBC). 2000. 'A communiqué issued by the Ghana Catholic Bishops' Conference at their annual plenary assembly in Cape-Coast from July 10-15, 2000'. Accra: National Catholic Secretariat.

Center for Democratic Development (CDD). 2001. 'The media in the post-Rawlings era'. *Democracy Watch*, 2 (2 & 3), pp. 1-2.

Center for Democratic Development (CDD). 2003. 'Jungle justice' in the districts: vestiges of intolerance and authoritarianism in Ghana's political culture'. *Democracy Watch*, 4 (3 & 4), pp. 11-13.

Center for Democratic Development. (CDD). 2004a. 'Bagbin in the crosshairs'. *Democracy Watch*, 5 (1), pp. 5-7.

Center for Democratic Development. (CDD). 2004b. 'Abuse of incumbency and state administrative resources in election 2004. Report for the period October 2004'. Available at: http://www.cddghana.org/documents/2nd%20report_Abuse%20of%20incumbency%20%20Oct%20_press%20release.pdf [Accessed 17 September 2007].

Center for Democratic Development (CDD). 2005a. 'Decentralization: stalled by short-term policies'. *Democracy Watch*, 6 (2), pp. 1-5.

Center for Democratic Development (CDD). 2005b. 'Parliament: is it a victim of constitutional design or self-sabotage?' *Democracy Watch*, 6 (2), pp. 9-11.

Center for Democratic Development. (CDD). 2006. 'Ghana International Airlines saga: mismanaging the corporate business of the state?' *Democracy Watch* 7 (1), pp. 1-2.

Chabal, P. and Daloz, J-P. 1999. *Africa Works: Disorder as political instrument*. Oxford: James Currey.

Charlton, R. 1990. 'Exploring the byways of African political corruption: Botswana and deviant case analysis'. *Corruption and Reform*, 5 (1), pp. 1-27.

Chazan, N. 1983. *An Anatomy of Ghanaian Politics: Managing political recession, 1969-1982*. Boulder, Colorado: Westview Press.

Chivakul, M. and York, R. C. 2006. 'Implications of quasi-fiscal activities in Ghana'. IMF Working Paper, WP/06/24. Available at: <http://www.imf.org/external/pubs/ft/wp/2006/wp0624.pdf> [Accessed 5 November 2007].

Coldham, S. 1995. 'Legal responses to state corruption in Commonwealth Africa'. *Journal of African Law*, 39 (2), pp. 115-126.

Commission for Africa. 2005. *Our Common Interest: Report of the Commission for Africa*. Available at: http://www.commissionforafrica.org/english/report/thereport/english/11-03-05_cr_report.pdf [Accessed 10 August 2006].

Concise Oxford Dictionary (Tenth Edition). 1999. Oxford: Oxford University Press.

Cooksey, B. 2002. 'Can aid agencies really help combat corruption?' *Crime and Society*, 2 (1), pp. 45-56.

Cotterell, P. 1993. *Prosperity Theology*. Leicester: Religious and Theological Studies Fellowship.

Crawford, G. 2003. 'Democratic decentralisation in Ghana: issues and prospects'. Paper for Norwegian Association for Development Research, Annual Conference, Oslo, 23-24 October. Available at: <http://www.polis.leeds.ac.uk/assets/files/research/working-papers/wp9crawford.pdf> [Accessed 4 October 2007].

Crawford, G. 2008. 'Decentralization and the limits to poverty reduction: findings from Ghana'. *Oxford Development Studies*, 36 (2), pp. 235-258.

Crook, R.C. 1994. 'Four years of the Ghana District Assemblies in operation: decentralization, democratization and administrative performance'. *Public Administration and Development*, 14 (4), pp. 339-364.

Cudjoe, T.A. 2002. 'Confronting corruption in Ghana and Africa: today and tomorrow'. In *Corruption and Development in Africa*. Seminar Proceedings of the Ghana Academy of Arts and Sciences. Accra: Ghana Academy of Arts and Sciences.

Cumming, D. 1962. 'Aviation in Africa'. *African Affairs*, 61 (242), pp. 29-39.

Da Rocha, B.J. 1997. 'Freedom of information'. *IEA Legislative Alert*, 4 (3), pp. 1-4.

Da Rocha, B.J. 2001. 'The status of the Auditor-General, the significance of his reports, and their impact on good governance, 1993-1999'. *IEA Legislative Alert*, 1 (7), pp. 1-6.

Danish International Development Assistance (DANIDA). 2003. 'Danida action plan to fight corruption, 2003-2008'. Available at: http://www.amg.um.dk/NR/rdonlyres/176B4D78-09FE-4B54-88A7-BA7AE3197E9F/0/corruption_action_plan.pdf [Accessed 17 October 2006].

Daniel, E. 1979. 'Public accountability: a comment on Acheampong's press conference'. *The Legon Observer*, 13 July, pp. 224-226.

Danquah, J.B. 1993. 'This business of serious fraud: some questions'. *The Ghanaian Chronicle*, 27 September.

De Speville, B.E.D. 1999. 'The experience of Hong Kong, China, in combating corruption'. In Stapenhurst, R. and Kpundeh, S.J. (eds). *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.

Debrah, Y.A. and Toroitich, O.K. 2005. 'The making of an African success story: the privatization of Kenya Airways'. *Thunderbird International Business Review*, 47 (2), pp. 205-230.

Department for International Development (DFID). 2004. 'Managing fiduciary risk when providing poverty reduction budget support'. Available at: <http://www.dfid.gov.uk/aboutdfid/organisation/pfma/pfma-fiduciary-briefing.pdf> [Accessed 12 November 2006].

Diamond, L. 2005. 'Assessing and reforming public efforts to control corruption'. *Center for Democratic Development Briefing Paper*, 7 (4), pp. 1-3.

Divestiture Implementation Committee (DIC). Undated. *Ghana's Divestiture Programme: Creating opportunities for investment*. Accra: DIC.

Divestiture Implementation Committee (DIC). 2003. *Ghana's Divestiture Programme: Fact sheets*. Accra: DIC.

Divestiture Implementation Committee (DIC). 2004. *Ghana's Divestiture Programme: Unlocking Ghana's potential*. Accra: DIC.

Doig, A., Watt, D. and Williams, R. 2005. 'Measuring "success" in five anti-corruption commissions: the cases of Ghana, Malawi, Tanzania, Uganda and Zambia'. Available at: <http://www.u4.no/themes/aacc/finalreport.pdf> [Accessed 10 August 2006].

Doig, A., Watt, D. and Williams, R. 2006. 'Hands-on or hands-off? Anti-corruption agencies in action, donor expectations, and a good enough reality'. *Public Administration and Development* 26 (2), pp. 163-172.

Economic Commission for Africa (ECA). 2005. 'African governance report'. Available at: <http://www.uneca.org/agr2005/full.pdf> [Accessed 14 September 2007].

Economist Intelligence Unit (EIU). 1975. 'Ghana, Sierra Leone Gambia and Liberia'. *Quarterly Economic Review*, 2.

Economist Intelligence Unit (EIU). 1980. 'Ghana, Sierra Leone, Gambia and Liberia'. *Quarterly Economic Review*, Annual Supplement.

Economist Intelligence Unit (EIU). 2003. 'Ghana: country report'. October.

Ekeh, P.P. 1975. 'Colonialism and the two publics in Africa: a theoretical statement'. *Comparative Studies in Society and History*, 17 (1), pp. 91-112.

Ephson, B. 1983a. 'Lessons from the CVC'. *West Africa*, 28 March, pp. 774-777.

Ephson, B. 1983b. 'People are watching'. *West Africa*, 12 June, p. 952.

Ephson, B. 1987. 'Licence to print'. *West Africa*, 10 April, p. 548.

Ephson, B. 1989. 'Ready to go'. *West Africa*, 30 January, p. 143.

Ephson, B. 2003. *Countdown to 2004 Elections*. Accra: Allied News.

Ephson, B. 2004. 'Ghana: corruption notebook'. Global Integrity Report. Available at: <http://www.globalintegrity.org/reports/2004/2004/country70b2.html?cc=gh&act=notebook> [Accessed 2 June 2008].

Ellis, S. 2009. 'West Africa's international drug trade'. *African Affairs*, 108 (431), pp. 171-196.

Erero, J. and Oladoyin, T. 2000. Tackling the corruption epidemic in Nigeria'. In Hope, K.R. and Chikulo, B. C. (eds). *Corruption and Development in Africa: Lessons from country case-studies*. Basingstoke: Macmillan.

Fisman, R. and Gatti, R. 1999. 'Decentralization and corruption: cross-country and cross state evidence'. Available at: [http://wbln0018.worldbank.org/eap/eap.nsf/Attachments/deccorr3/\\$File/deccorr3.pdf](http://wbln0018.worldbank.org/eap/eap.nsf/Attachments/deccorr3/$File/deccorr3.pdf) [Accessed 17 September 2007].

Ford, N. 2004a. 'Happy landing for Ethiopian Airlines'. *African Business*, 295, pp. 32-33.

Ford, N. 2004b. 'Ghana Airways to get new lease of life?' *African Business*, 302, pp. 50-51.

French, H.W. 2007. 'Commentary: China and Africa'. *African Affairs*, 106 (422), pp. 127-132.

Fjeldstad, O-H. and Tungodden, B. 2003. 'Fiscal corruption: a vice or virtue?' *World Development*, 31 (8), pp. 1459-1467.

- Gaiya, M.A.B. 2002. 'The Pentecostal revolution in Nigeria'. *Occasional Paper*, Centre of African Studies, University of Copenhagen. Available at: <http://cms.ku.dk/upload/application/pdf/f25a7b66/Gaiya%202002.pdf> [Accessed 4 May 2008]
- German Technical Co-operation (GTZ). 2002. 'Appraisal mission for the implementation of the good governance programme as supported by GTZ. Unpublished GTZ report.
- German Technical Co-operation (GTZ). 2004. 'Fighting poverty and corruption: integrating the fight against corruption into the PRS process – analysis and recommendations for development cooperation. Available at: <http://www.gtz.de/de/dokumente/en-corruption-and-poverty.pdf> [Accessed 17 October 2006].
- Ghana Airways. 1994. 'Rejoinder: the cargo village affair'. *The Ghanaian Chronicle*, 12 September.
- Ghana Journalists Association (GJA). 2004. *Constitution of the Ghana Journalists Association*. Accra: GJA.
- Gifford, P. 1998. *African Christianity: Its public role*. London: Hurst.
- Gifford, P. 2004. *Ghana's New Christianity: Pentecostalism in a globalising African economy*. London: Hurst.
- Gifford, P. 2007. 'Expecting miracles: the prosperity gospel in Africa'. *Christian Century*, 10 July. Available at: http://www.christiancentury.org/article_print.lasso?id=3494 [Accessed 14 November 2008].
- Global Integrity. 2006. 'Ghana: country report'. Available at: <http://www.globalintegrity.org/reports/2006/Ghana/timeline.cfm> [Accessed 2 June 2008].
- Gocking, R. 1996. 'Ghana's Public Tribunals: an experiment in revolutionary justice'. *African Affairs*, 95 (379), pp. 197-223.
- Government Accountability Improves Trust (GAIT). 2004. Final project evaluation. Available at: <http://www.oecd.org/dataoecd/58/10/35868525.pdf> [Accessed 17 October 2006].
- Gyekye, K. 1997. *Political Corruption: A philosophical analysis of a moral problem*. Accra: Sankofa Publishing.
- Gyimah-Boadi, E. 1991. 'State enterprises divestiture: recent Ghanaian experiences'. In Rothchild, D. (ed.). *Ghana: The Political Economy of Recovery*. Boulder, CO: Lynne Rienner.
- Gyimah-Boadi, E. 1993. 'The search for economic development and democracy in Ghana: from Limann to Rawlings'. In Gyimah-Boadi, E. (ed.). *Ghana under PNDC Rule*. Dakar: CODESRIA.
- Gyimah-Boadi, E. 1994. 'Associational life, civil society and democratization in Ghana'. In Harbeson, J.W., Rothchild, D. and Chazan, N. (eds). *Civil Society and the State in Africa*. Boulder, CO.: Lynne Rienner.
- Gyimah-Boadi, E. 1999. 'Role of Churches in enhancing civil society'. *The Ghanaian Chronicle*. 3 August.
- Gyimah-Boadi, E. and Asamoah, Y. 2001. 'Ghana: National Integrity Systems'. Available at: <http://info.worldbank.org/etools/ANTIC/docs/Resources/Country%20Profiles/Ghana/TransparencyInternational%20NIS%20Ghana.pdf> [Accessed 14 September 2007].

- Gyimah-Boadi, E. 2002. 'Confronting Corruption in Ghana and Africa: today and tomorrow'. In *Corruption and Development in Africa*. Seminar Proceedings of the Ghana Academy of Arts and Sciences. Accra: Ghana Academy of Arts and Sciences.
- Haarhuis, C.M.K. and Leeuw, F.L. 2004. 'Fighting governmental corruption: the new World Bank programme evaluated'. *Journal of International Development*, 16 (4), pp. 547-561.
- Hakim, C. 1993. 'Research analysis of administrative records'. In Hammersley, M. (ed.). *Social Research: Philosophy, politics and practice*. London: Sage.
- Hakim, C. 2000. *Research Design: Successful designs for social and economic research*. Second edition. London: Routledge.
- Halim, N. 2008. 'Testing alternative theories of bureaucratic corruption in less developed countries'. *Social Science Quarterly*, 89 (1), pp. 236-257.
- Hanlon, J. 2004. 'Do donors promote corruption? The case of Mozambique'. *Third World Quarterly*, 25 (4), pp. 747-763.
- Hansen, E. and Collins, P. 1980. 'The army, the state and the "Rawlings revolution" in Ghana'. *African Affairs*, 79 (314), pp. 3-23.
- Hansen, E. 1991. *Ghana under Rawlings: Early years*. Oxford: Malthouse Press.
- Harsanyi, J.C. 1986. 'Advances in understanding rational behaviour'. In Elster, J. (ed.). *Rational Choice*. Oxford: Basil Blackwell.
- Harsch, E. 1993. 'Accumulators and democrats: challenging state corruption in Africa'. *Journal of Modern African Studies*, 31 (1), pp. 31-48.
- Harris, C. 2003. 'Private participation in infrastructure in developing countries: trends, impacts, and policy lessons'. World Bank Working Paper No. 5. Available at: <http://rru.worldbank.org/Documents/PapersLinks/Private%20Participation.pdf> [Accessed 17 September 2007].
- Harrison, E. 2007. 'Corruption'. *Development in Practice*, 17 (4 & 5), pp. 672-678.
- Hasty, J. 2005a. *The Press and Political Culture in Ghana*. Bloomington: Indiana University Press.
- Hasty, J. 2005b. 'Sympathetic magic/ contagious corruption: sociality, democracy, and the press in Ghana'. *Public Culture*, 17 (3), pp. 339-369.
- Hasty, J. 2005c. 'The pleasures of corruption: desire and discipline in Ghanaian political culture'. *Cultural Anthropology*, 20 (2), pp. 271-301.
- Hasty, J. 2006. 'Performing power, composing culture: the state press in Ghana'. *Ethnography*, 7 (1), pp. 69-98.
- Hasty, J. (undated). Ghana press: media, TV, radio, newspapers. World Reference Encyclopaedia. Available at: <http://pressreference.com/Fa-Gu/Ghana.html> [Accessed 2 June 2008].
- Hayfron-Benjamin, R.J. 1998. 'The privilege of the media in the Ghana law of defamation'. *IEA Legislative Alert*, 5 (2), pp. 1-6.
- Haynes, J. 1991. 'The PNDC and political decentralisation in Ghana, 1981-1991'. *Journal of Commonwealth and Comparative Politics*, 29 (3), pp. 283-307.

- Heilbrunn, J.R. 2004. *Anti-Corruption Commissions: Panacea or real medicine to fight corruption?* Washington, D.C.: The World Bank.
- Herbst, J. 1993. *The Politics of Reform in Ghana, 1982-1991*. Berkeley, CA: University of California Press.
- Hickey, S. 2003. 'The politics of staying poor in Uganda'. Chronic Poverty Research Centre (CPRC), Institute for Development Policy and Management, Working Paper, No. 37.
- Hilsum, L. 2008. 'China faces reality in Africa'. *Review of African Political Economy*, 35 (115), pp. 137-140.
- Hope, K.R. 1997. 'Comment'. *Regional Development Dialogue*, 18 (2), pp. 78-80.
- Huntington, S.P. 1968. *Political Order in Changing Societies*. New Haven, CT: Yale University Press.
- Huntington, S.P. 1999. 'Modernization and corruption'. In Heidenheimer, A.J., Johnston, M. and Le Vine, V.T. (eds). *Political Corruption: A handbook*. New Brunswick, N.J.: Transaction.
- Husted, B.W. 1999. 'Wealth, culture and corruption'. *Journal of International Business Studies*, 30 (2), pp. 339-359.
- Hutchful, E. (ed.). 1987. *The IMF and Ghana: The confidential record*. London: Zed Books.
- Hutchful, E. 1995. 'Why regimes adjust: the World Bank ponders its "star pupil"'. *Canadian Journal of African Studies*, 29 (2), pp. 303-317.
- Hutchful, E. 1997. 'Military policy and reform in Ghana'. *Journal of Modern African Studies*, 35 (2), pp. 251-278.
- Huther, J. and Shah, A. 1998. 'A simple measure of good governance and its application to the debate on fiscal decentralization'. World Bank Policy Research Working Paper Series, No. 1498.
- Huther, J. and Shah, A. 2000. 'Anti-corruption policies and programs: a framework for evaluation'. World Bank Policy Research Working Paper, No. 2501.
- Institute of Economic Affairs - Ghana (IEA). 2002. *Is the District Assembly Common Fund (DACF) Effectively Utilized?* IEA Monograph 3. Accra: IEA.
- International Monetary Fund (IMF). 1995. *International Financial Statistics Yearbook 1995*. Washington, D.C.: IMF.
- International Monetary Fund (IMF). 1998. *International Financial Statistics Yearbook 1998*. Washington, D.C.: IMF.
- International Monetary Fund (IMF). 2001. *International Financial Statistics Yearbook 2001*. Washington, D.C.: IMF.
- International Monetary Fund (IMF). 2004. *International Financial Statistics Yearbook 2004*. Washington, D.C.: IMF.
- International Monetary Fund (IMF). 2006. 'Debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative'. Fact sheet, September.
Available at: <http://www.imf.org/external/np/exr/facts/hipc.htm> [Accessed 17 October 2006].

International Monetary Fund (IMF). 2008. *International Financial Statistics Yearbook 2008*. Washington, D.C.: IMF.

International Narcotics Control Strategy Report (INCSR) 2007. 'Africa and Middle East. Volume I: Drug and chemical control'. Available at: <http://www.state.gov/p/inl/rls/nrcrpt/2007/vol1/pdf/index.htm> [Accessed 22 April 2009].

International Press Institute (IPI). 2001. 'Ghana: 2001 world press freedom review'. Available at: http://www.freemedia.at/cms/ipi/freedom_detail.html?country=/KW0001/KW0006/KW0157/&year=2001 [Accessed 2 June 2008].

Jackson, R.H. and Rosberg, C.G. 1982. *Personal Rule in Black Africa: Prince, autocrat, prophet, tyrant*. Berkeley, CA: University of California Press.

Jeffries, R. 1980. 'The Ghanaian elections of 1979'. *African Affairs*, 79 (316), pp. 397-414.

Johnston, M. and Doig, A. 1999. 'Different views on good government and sustainable anticorruption strategies'. In Staphenurst, R. and Kpundeh, S.J. (eds). 1999. *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.

Johnston, M. and Kpundeh, S.J. 2004. 'Building a clean machine: anti-corruption coalitions and sustainable reform'. World Bank Policy Research Working Paper, No. 3466.

Jones, T. 1976. *Ghana's First Republic, 1960-1966: The pursuit of the political kingdom*. London: Methuen

Joseph, R.A. 1987. *Democracy and Prebendal Politics in Nigeria: The rise and fall of the Second Republic*. Cambridge: Cambridge University Press.

Karl, T.L. 2007. 'Ensuring fairness: the case for a transparent fiscal social contract'. In Humphreys, M., Sachs, J. D and Stiglitz, J.E. (eds). *Escaping the Resource Curse*. New York: Columbia University Press.

Kaufman, D. 1999. 'Anticorruption strategies: starting afresh? Unconventional lessons from comparative analysis'. In Staphenurst, R. and Kpundeh, S.J. (eds). *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.

Kaufman, D., Kraay, A. and Mastruzzi, M. 2005. 'Governance matters IV: new data, new challenges'. Available at: http://www.worldbank.org/wbi/governance/pdf/Synthesis_GovMatters_IV.pdf [Accessed 17 September 2007].

Kaufmann, D., Kraay, A. and Mastruzzi, M. 2006. 'Measuring governance using cross-country perceptions data'. In Rose-Ackerman, S. (ed.). *International Handbook on the Economics of Corruption*. Cheltenham: Edward Elgar.

Kennedy, A. 2008. 'Super morning show'. *Joy FM Radio*. 23 September.

Khan, M.H. 2006. 'Determinants of corruption in developing countries: the limits of conventional economic analysis'. In Rose-Ackerman, S. (ed.). *International Handbook on the Economics of Corruption*. Cheltenham: Edward Elgar.

Killick, T. 1978. *Development Economics in Action*. London: Heinemann.

Kisubi, M.M. 1999. 'Involving civil society in the fight against corruption'. In Staphenurst, R. and Kpundeh, S.J. (eds). *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.

- Klitgaard, R. 1988. *Controlling Corruption*. Berkeley, CA: University of California Press.
- Knack, S. 2001. 'Aid dependence and the quality of governance: cross country empirical evidence tests'. *Southern Economic Journal*, 68 (2), pp. 310-329.
- Knight, M. 2004. 'State hits turbulence over wooing Ghana Air; some criticize lack of caution in pursuing faltering airline'. *The Baltimore Sun*, 22 August. Available at: <http://www.kellogg.northwestern.edu/news/hits/040822bs.htm> [Accessed 3 July 2007].
- Krueger, A.O. 1974. 'The political economy of the rent-seeking society'. *American Economic Review*, 64 (3), pp. 291-303.
- Kumado, K. 1993. 'The Serious Fraud Office Bill: comments and conjectures'. *The Ghanaian Chronicle*, 11 October.
- Lambsdorff, J.G. 2007. *The Institutional Economics of Corruption and Reform: Theory, evidence and policy*. Cambridge: Cambridge University Press.
- Langseth, P., Stapenhurst, R. and Pope, J. 1999. 'National integrity systems'. In Stapenhurst, R. and Kpundeh, S.J. (eds). 1999. *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.
- Le Vine, V.T. 1975a. 'Corruption in Ghana'. *Transition*, 47, pp. 48-61.
- Le Vine, V.T. 1975b. *Political Corruption: The Ghana case*. Stanford, CA: Hoover Institution Press.
- Le Vine, V.T. 1987. 'Autopsy on a regime: Ghana's civilian interregnum, 1969-72'. *Journal of Modern African Studies*, 25 (1), pp. 169-178.
- Lee, R.M. 1993. *Doing Research on Sensitive Topics*. London: Sage.
- Leff, N. 1964. 'Economic development through bureaucratic corruption'. *American Behavioral Scientist*, 8 (3), pp. 8-14.
- Limann, H. 1983. *Democracy and Ghana: Selected speeches of President Hilla Limann*. London: Rex Collings.
- Macdonald, K. and Tipton, C. 1993. 'Using documents'. In Gilbert, N. (ed.). *Researching Social Life*. London: Sage.
- Mansaray, I.A. 1999. 'Ghana: 1999 world press freedom review'. International Press Institute. Available at: http://www.freemedia.at/cms/ipi/freedom_detail.html?country=/KW0001/KW0006/KW0157/&year=1999 [Accessed 2 June 2008].
- Mansaray, I.A. 2000. 'Ghana: 2000 world press freedom review'. International Press Institute. Available at: http://www.freemedia.at/cms/ipi/freedom_detail.html?country=/KW0001/KW0006/KW0157/&year=2000 [Accessed 2 June 2008].
- Marysse, S., Ansoms, A. and Cassimon, D. 2007. 'The aid "darlings" and "orphans" of the Great Lakes region in Africa'. *The European Journal of Development Research*, 19 (3), pp. 443-458.
- Mbaku, J.M. 2000. 'Controlling corruption in Africa: a public choice perspective'. In Hope, K.R. and Chikulo, B.C. (eds). *Corruption and Development in Africa: Lessons from country case-studies*. Basingstoke: Macmillan.

- Mbaku, J.M. 2007. *Corruption in Africa: Causes, consequences and cleanups*. Lanham, MD: Lexington Books.
- McCaskie, T.C. 2008. 'The United States, Ghana and oil: global and local perspectives'. *African Affairs*, 107 (428), pp. 313-332.
- McCormick, D. 2008. 'China and India as Africa's new donors: the impact of aid on development'. *Review of African Political Economy*, 35 (115), pp. 73-92.
- Meagher, P. 2005. 'Anti-corruption agencies: rhetoric versus reality'. *The Journal of Policy Reform*, 8 (1), pp. 69-103.
- Medard, J-F. 1986. 'Public corruption in Africa: a comparative perspective'. *Corruption and Reform*, 1 (2), pp. 115-131.
- Medard, J-F. 1996. 'Patrimonialism, neo-patrimonialism and the study of the post-colonial state in Sub-Saharan Africa'. In Marcussen, H.S. (ed.). *Improved Natural Resource Management: The role of formal organizations and informal networks and institutions*. Roskilde: International Development Studies.
- Mehlum, H., Moene, K. and Torvik, R. 2006. 'Institutions and the resource curse'. *The Economic Journal*, 116 (508), pp. 1-20.
- Michael, B. 2004. 'What do African donor-sponsored anti-corruption programmes teach us about international development in Africa?' *Social Policy & Administration*, 38 (4), pp. 320-345.
- Millennium Challenge Corporation (MCC). 2006. 'Ghana and the Millennium Challenge Corporation sign \$547 million grant to combat poverty'. (Press release). Available at: <http://www.mcc.gov/press/releases/2006/release-080106-ghanacomactsigning.php> [Accessed 2 June 2008].
- Miller, A. 2004. 'Corruption: between morality and legitimacy in the context of globalization'. In Pardo, I. (ed.). *Between Morality and the Law: Corruption, anthropology and comparative society*. Aldershot: Ashgate.
- Mo, P.H. 2001. 'Corruption and economic growth'. *Journal of Comparative Economics*, 29 (1) pp. 66-79.
- Montinola, G. R. and Jackman, R. W. 2002. 'Sources of corruption: a cross-country study'. *British Journal of Political Science*, 32 (1), pp. 147-170.
- Morgenthau, H.J. 1945. 'The evil of politics and the ethics of evil'. *Ethics*, 56 (1), pp. 1-18.
- Mytton, G. 2000. 'From saucepan to dish: radio and TV in Africa'. In Fardon, R. and Furniss, G. (eds). *African Broadcast Cultures: Radio in transition*. Oxford: James Currey.
- National Democratic Congress (NDC). 2004. *A Better Ghana*. Accra: NDC.
- National Governance Programme (NGP). 2003. *The Funding of Key Governance Institutions in Ghana: 6th national governance workshop, 2003*. Accra: NGP.
- Nelson, P. 1979. 'Reflections on a revolution: has anything really changed?' *The Legon Observer*, 13 July, pp. 235-237.
- New Patriotic Party (NPP). 1996. *Development in Freedom: Agenda for change*. Accra: NPP.
- New Patriotic Party (NPP). 2004. *Positive Change Chapter 2*. Accra: NPP.

- Nkrumah, K. 1961. 'Dawn broadcast' (full text). *Daily Graphic*, 10 April.
- Nkrumah, K. 1968. *Dark Days in Ghana*. London: Lawrence and Wishart.
- Nugent, P. 1991. 'Educating Rawlings: the evolution of government strategy towards smuggling'. In Rothchild, D. (ed.). *Ghana: The political economy of recovery*. London: Lynne Rienner.
- Nugent, P. 1995. *Big Men, Small Boys and Politics in Ghana: Power, ideology and the burden of history, 1982-1994*. London: Pinter.
- Nye, J.S. 1967. 'Corruption and political development: a cost-benefit analysis'. *The American Political Science Review*, 61 (2), pp. 417-427.
- Ofori-Atta, N.Y. 1993. 'Embezzlement galore: (P)NDC chops ₵401 billion'. *The Ghanaian Chronicle*, 6 December.
- Ogbamey, A. 1998a. 'Interdicted Ghanair staff promoted'. *The Ghanaian Chronicle*, 6 May.
- Ogbamey, A. 1998b. 'Promoted Ghanair boss could not account for C108m'. *The Ghanaian Chronicle*, 11 May.
- Ogbamey, A. 1998c. 'Ghanair returning to familiar tune: crisis'. *The Ghanaian Chronicle*, 7 September.
- Olowu, D. 1997. 'Comment'. *Regional Development Dialogue*, 18 (2), pp. 107-118.
- Olowu, B. 1999. 'Combating corruption and economic crime in Africa: an evaluation of the Botswana Directorate of Corruption and Economic Crime'. *The International Journal of Public Sector Management*, 12 (7), pp. 604-614.
- Olowu, D. 2001. 'Decentralization policies and practices under structural adjustment and democratization in Africa'. UNRISD Democracy, Governance and Human Rights Programme Paper, No. 4. Available at: <http://www1.worldbank.org/wbiep/decentralization/afrlib/olowu.pdf> [Accessed 12 May 2007].
- Ohene, E. 1981. 'Ghana's two years of civilian rule'. *West Africa*, 21 September, pp. 2169-2170.
- Oquaye, M. 1980. *Politics in Ghana, 1972-1979*. Accra: Tornado Publications.
- Oquaye, M. 1993. 'Law, justice and the revolution'. In Gyimah-Boadi, E. (ed.). *Ghana under PNDC Rule*. Dakar: CODESRIA.
- Oquaye, M. 1995. 'Decentralization and development: the Ghanaian case under the PNDC'. *Journal of Commonwealth and Comparative Politics*, 33 (2), pp. 209-239.
- Oquaye, M. 2004. *Politics in Ghana, 1982-1992*. Accra: Tornado.
- Organisation for Economic Co-operation and Development (OECD). 2003. 'Synthesis of lessons learned of donor practices in fighting corruption'. Development Assistance Committee network on governance meeting, 1-2 July. Available at: <http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN016841.pdf> [Accessed 2 June 2008].
- Osei-Hwedie, B.Z. and Osei-Hwedie, K. 2000. 'The political, economic and cultural bases of corruption in Africa'. In Hope, K.R and Chikulo, B.C. (eds). *Corruption and Development in Africa: Lessons from country case-studies*. Basingstoke: Macmillan.

Overseas Development Institute (ODI). 2007. 'Budget support to Ghana: a risk worth taking?' *Briefing Paper*, 24. Available at: http://www.odi.org.uk/publications/briefing/BP_july07_budgetsupport.pdf [Accessed 2 June 2008].

Owusu, M. 1996. 'Traditions and transformation: democracy and the politics of popular power in Ghana'. *Journal of Modern African Studies*, 34 (2), pp. 307-343.

Oxford Policy Management (OPM). 2006. 'DFID developing capacity? An evaluation of DFID-funded technical co-operation for economic management in Sub-Saharan Africa'. Synthesis report, EV667. Available at: http://siteresources.worldbank.org/INTCDRC/Resources/Developing_Capacity_DFID_Report.pdf [Accessed 12 February 2008].

Pardo, I. 2004. 'Introduction: corruption morality and the law'. In Pardo, I. (ed.). *Between Morality and the Law: Corruption, anthropology and comparative society*. Aldershot: Ashgate.

Pegg, S. 2009. 'Chronicle of a death foretold: the collapse of the Chad-Cameroon pipeline project'. *African Affairs*, 108 (431), pp. 311-320.

Pellow, D. and Chazan, N. 1986. *Ghana: Coping with uncertainty*. Boulder, CO: Westview Press.

Peters, B. 2003. The media's role: covering or covering up corruption?' In *Transparency International Global Corruption Report 2003*. Berlin: Transparency International.

Peters, J.G. and Welch, S. 1978. 'Political corruption in America: a search for definitions and a theory, or if political corruption is in the mainstream of American politics why is it not in the mainstream of American politics research?' *The American Political Science Review*, 72 (3) pp. 974-984.

Pope, J. 1999. 'Elements of a successful anticorruption strategy'. In Stapenhurst, R. and Kpundeh, S.J. (eds). 1999. *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.

Pope, J. 2000. 'Transparency International source book 2000 - confronting corruption: the elements of a national integrity system'. Available at: www.transparency.org/content/download/2458/14526 [Accessed 17 October 2006].

Prempeh, H.K. 1996. 'The case for a repeal of the criminal and seditious libel laws'. *IEA Legislative Alert*, 3 (5), pp. 1-4.

Prempeh, H.K. 1999. 'How not to privatise'. *The Ghanaian Chronicle*, 10 March.

Prempeh, H.K. 2003. 'Making the policy of "zero tolerance for corruption" a reality in Ghana: a focus on the Serious Fraud Office'. *Center for Democratic Development Critical Perspectives*, No. 12.

Prempeh, H.K. and Asare, S.K. 2003. 'The public officer as a fiduciary and the law on causing financial loss to the Ghanaian state'. *Center for Democratic Development Critical Perspectives*, No. 16.

Price, R. 1974. 'Politics and culture in contemporary Ghana: the big-man small-boy syndrome'. *Journal of African Studies*, 1 (2), pp. 173-204.

Prud'homme, R. 1995. 'The dangers of decentralization'. *The World Bank Research Observer*, 10 (2), pp. 201-220.

- Punch, M. 1994. 'Politics and ethics in qualitative research'. In Denzin, N.K. and Lincoln, Y.S. (eds). *Handbook of Qualitative Research*. London: Sage.
- Quansah, E. K. 1994. 'The Corruption and Economic Crime Act, 1994 of Botswana'. *Journal of African Law*, 38 (2), pp. 191-196.
- Rauch, J.E. and Evans, P.B. 2000. 'Bureaucratic structure and bureaucratic performance in less developed countries'. *Journal of Public Economics*, 75 (1), pp. 49-71.
- Ray, D.I. 1986. *Ghana: Politics, economy and society*. London: Frances Pinter.
- Rimmer, D. 1966. 'The crisis in the Ghana economy'. *Journal of Modern African Studies*, 4 (1), pp.17-32.
- Rimmer, D. 1992. *Staying Poor: Ghana's political economy, 1950-1990*. Oxford: Pergamon.
- Robertson, A.F. 2006. 'Misunderstanding corruption'. *Anthropology Today*, 22 (2), pp. 8-11.
- Robertson, C. 1983. 'The death of Makola and other tragedies'. *Canadian Journal of African Studies*, 17 (3), pp. 469-495.
- Robinson, M. 1996. 'The role of aid donors in strengthening civil society'. In Clayton, A. (ed.). *NGO's, Civil Society and the State: Building democracy in transitional societies*. Oxford: INTRAC.
- Rock, M. 2007. 'Corruption and democracy'. United Nations Department of Economic and Social Affairs (DESA), Working Paper No. 55. Available at: http://www.un.org/esa/desa/papers/2007/wp55_2007.pdf [Accessed 12 February 2008].
- Rose-Ackerman, S. 1978. *Corruption: A study in political economy*. New York: Academic Press.
- Rose-Ackerman, S. 1999. *Corruption and Government*. Cambridge: Cambridge University Press.
- Rose-Ackerman, S. 2006. 'Introduction and overview'. In Rose-Ackerman, S. (ed). *International Handbook on the Economics of Corruption*. Cheltenham: Edward Elgar.
- Ross, M.L. 1999. 'The political economy of the resource curse'. *World Politics*, 51 (2), pp. 297-322.
- Royal African Society (RAS). 2005. 'A message to world leaders: what about the damage we do to Africa?' Available at: http://www.royalafricansociety.org/documents/ras_damagewedo.doc[Accessed 4 May 2008].
- Sachs, J.D. and Warner, A.M. 1995. 'Natural resource abundance and economic growth'. National Bureau of Economic Research (NBER), Working Paper, 5398.
- Sachs, J.D. and Warner, A.M. 2001. 'Natural resources and economic development: the curse of natural resources'. *European Economic Review*, 45 (4-6), pp. 827-838.
- Safo, A. 1994. 'NDC milks Ghanair'. *The Ghanaian Chronicle*, 9 May.
- Safo, A. 2007. 'Ghana: the state newspapers and the survival of the private newspapers'. *Public Agenda* 11 June. Available at: <http://allafrica.com/stories/200706111407.html> [Accessed 4 May 2008].

- Saffu, Y. 2003a. 'What do we need to do to speed up the decentralisation process?' *IEA Governance Newsletter*, January.
- Saffu, Y. 2003b. 'The Local Government Service Bill: where is the promise to deliver?' *IEA Governance Newsletter*, November.
- Sakyi-Addo, K. 1993. 'Dirty deals at divestiture'. *The Ghanaian Chronicle*, 16 December.
- Sakyi-Addo, K. 2003. 'Ghana Airways seeks divine intervention'. BBC News, 10 June. Available at: <http://news.bbc.co.uk/1/hi/world/africa/2978026.stm> [Accessed 3 July 2007].
- Sandbrook, R. and Oelbaum, J. 1997. 'Reforming dysfunctional institutions through democratisation? Reflections on Ghana'. *Journal of Modern African Studies*, 35 (4), pp. 603-646.
- Sarpong, S. 2001. 'I've not been awarded contract - Jake'. *Daily Graphic*, 24 April.
- Scott, D.T. 2006. 'Divergent politico-legal responses to past presidential corruption in Zambia and Kenya: catching the 'big fish', or letting him off the hook?' *Third World Quarterly*, 27 (2), pp. 281-301.
- Scott, G.K. 2003. *Management and Control of Public Funds*. Accra: G.K. Scott.
- Scott, J.C. 1972. *Comparative Political Corruption*. Englewood, N.J.: Prentice-Hall.
- Sedigh, S. and Ruzindana, A. 1999. 'The fight against corruption in Uganda'. In Staphenurst, R. and Kpundeh, S.J. (eds). *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.
- Senior, I. 2006. *Corruption - The World's Big C: Cases, causes, consequences, cures*. London: Institute of Economic Affairs in association with Profile Books.
- Shah, A. 2006. 'Corruption and decentralized public governance'. World Bank Policy Research Working Paper, 3824.
- Sharfstein, D.J. 1995. 'Radio free Ghana'. *Africa Report*, 40 (3), p. 46.
- Sharma, K.C. 1997. 'The capacity, autonomy, and accountability of local government in local-level governance: the case of Botswana'. *Regional Development Dialogue*, 18 (2), pp. 61-77.
- Shillington, K. 1992. *Ghana and the Rawlings Factor*. London: Macmillan Press.
- Shleifer, A. and Vishny, R.W. 1993. 'Corruption'. *The Quarterly Journal of Economics*, 108 (3), pp. 599-617.
- Skidmore, M. J. 1996. 'Promise and peril in combating corruption: Hong Kong's ICAC'. *Annals of the American Academy of Political and Social Science*, 547 (1), pp. 118 -130.
- Soares de Oliveira, R. 2007. *Oil and Politics in the Gulf of Guinea*. London: Hurst.
- Spaeth, A. 2003. 'New beginnings for Ghana Airways'. *Flug Revue*, June, p. 24. Available at: <http://www.flug-revue.rotor.com/frheft/FRH0308/FR0308b.htm> [Accessed 3 July 2007].
- Staphenurst, R. and Sedigh, S. 1999. 'Introduction: an overview of the costs of corruption'. In Staphenurst, R. and Kpundeh, S.J. (eds). 1999. *Curbing Corruption: Toward a model for building national integrity*. Washington, D.C.: World Bank.

- Stapenhurst, R. 2000. 'The media's role in curbing corruption'. World Bank Institute Departmental Working Paper. Available at: <http://www.worldbank.org/wbi/governance/pubs/mediacurb.html> [Accessed 17 May 2007].
- Steffensen, J. 2006. 'Local government organization and finance: Uganda'. In Shah, A. (ed.). *Local Governance in Developing Countries*. Washington, D.C.: World Bank.
- Sung, H-E. 2002. 'A convergence approach to the analysis of political corruption: a cross national study'. *Crime, Law & Social Change*, 38 (2), pp. 137-160.
- Svensson, J. 2000. 'Foreign aid and rent-seeking'. *Journal of International Economics*, 51 (2), pp. 437-461.
- Svensson, J. 2005. 'Eight questions about corruption'. *The Journal of Economic Perspectives*, 19 (3), pp. 19-42.
- Sykes, A.N.K. (Sykes Report). 1996. 'Audit report on Ghanair's Gambia office - excerpts of findings'. *The Ghanaian Chronicle* 11 May.
- Szeftel, M. 1998. 'Misunderstanding African politics: corruption and the governance agenda'. *Review of African Political Economy*, 25 (76), pp. 221-240.
- Szeftel, M. 2000. 'Clientelism, corruption and catastrophe'. *Review of African Political Economy*, 27 (85), pp. 427-441.
- Tangri, R. 1991. 'The politics of state divestiture in Ghana'. *African Affairs*, 90 (361), pp.523-536.
- Tangri, R. 1999. *The Politics of Patronage in Africa: Parastatals, privatization & private enterprise*. Oxford: James Currey.
- Tangri, R. and Mwenda, A. 2001. 'Corruption and cronyism in Uganda's privatization in the 1990s'. *African Affairs*, 100 (398), pp. 117-133.
- Tangri, R. and Mwenda, A. 2006. 'Politics, donors and the ineffectiveness of anti-corruption institutions in Uganda'. *Journal of Modern African Studies*, 44 (1), pp. 101-124.
- Tanzi, V. 1998. 'Corruption around the world: causes, consequences, scope and cures'. *IMF Staff Papers*, 45 (4), pp. 559-594. Available at: <http://www.imf.org/external/pubs/ft/staffp/1998/12-98/pdf/tanzi.pdf> [Accessed 12 May 2007].
- Taylor, I. 2006. 'China's oil diplomacy in Africa'. *International Affairs*, 82 (5), pp. 937-959.
- Taylor, J.N.K. 1993a. 'The dangers in historical perspective of the Serious Fraud Office Bill (I)'. *The Ghanaian Chronicle*, 22 November.
- Taylor, J.N.K. 1993b. "The dangers in historical perspective of the Serious Fraud Office Bill (II)". *The Ghanaian Chronicle*, 29 November.
- Taylor, J.N.K. 1993c. 'The dangers in historical perspective of the Serious Fraud Office Bill (III)'. *The Ghanaian Chronicle*, 6 December.
- Theobald, R. 1990. *Corruption, Development, and Underdevelopment*. London: Macmillan.
- Theobald, R. 1994. 'Lancing the swollen African state: will it alleviate the problem of corruption?' *Journal of Modern African Studies*, 32 (4), pp. 701-706.

Transparency International. 1998. 'Corruption perceptions index, 1998'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/previous_cpi_1/1998 [Accessed 4 March 2008].

Transparency International. 1999. 'Corruption perceptions index, 1999'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/previous_cpi_1/1999 [Accessed 4 March 2008].

Transparency International. 2000. 'Corruption perceptions index, 2000'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/previous_cpi_1/2000 [Accessed 4 March 2008].

Transparency International. 2001. 'Corruption perceptions index, 2001'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2001 [Accessed 4 March 2008].

Transparency International. 2002. 'Corruption perceptions index, 2002'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2002 [Accessed 4 March 2008].

Transparency International. 2003. 'Corruption perceptions index, 2003'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2003 [Accessed 4 March 2008].

Transparency International. 2004. 'Corruption perceptions index, 2004'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2004 [Accessed 4 March 2008].

Transparency International. 2005. 'Corruption perceptions index, 2005'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2005 [Accessed 4 March 2008].

Transparency International. 2006. 'Corruption perceptions index, 2006'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2006 [Accessed 4 March 2008].

Transparency International. 2007. 'Corruption perceptions index, 2007'. Available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2007 [Accessed 4 March 2008].

Treisman, D. 2000. 'The causes of corruption: a cross-national study'. *Journal of Public Economics*, 76 (3), pp. 399-457.

Twumasi, P.K. 1985. *Criminal Law in Ghana*. Tema: Ghana Publishing.

United States Department of Transport. 2000. 'Ghana Airways to launch Washington service'. Available at: <http://www.dot.gov/affairs/2000/dot8000.htm> [Accessed 3 July 2007].

United States Agency for International Development (USAID). 2005. 'USAID anticorruption strategy'. Available at: http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/ac_strategy_final.pdf [Accessed 4 May 2008].

Van de Walle, N. 2001. *African Economies and the Politics of Permanent Crisis, 1979-1999*. New York: Cambridge University Press.

Vandyk, A. 1994. 'Ghana Airways - coming to America'. *Air Transport World*, 31 (11), pp. 120-121.

- Vieta, K.T. 1989a. 'Man of the people'. *West Africa*, 6 November, pp. 1844-1845.
- Vieta, K.T. 1989b. 'Mixed results'. *West Africa*, 27 March, p. 510.
- Waldmeir, P. 1981. 'Jerry Rawlings urges "peaceful revolution"'. *West Africa*, 15 June, pp. 1335-1338.
- Werlin, H.H. 1972. 'The roots of corruption - the Ghanaian enquiry'. *Journal of Modern African Studies*, 10 (2), pp. 247-266.
- Werlin, H.H. 1973. 'The consequences of corruption: the Ghanaian experience'. *Political Science Quarterly*, 88 (1), pp. 71-85.
- Williams, R. 2004. 'African anti-corruption commissions: short essay on political will'. Available at: <http://www.u4.no/themes/aacc/acpoliticalwill.cfm> [Accessed 17 October 2006].
- Williams, S. 1985. *Conflict of Interest: the ethical dilemma in politics*. Aldershot: Gower Publishing.
- World Bank. 1989. *Sub-Saharan Africa: From crisis to sustainable growth. A long-term perspective study*. Washington, D.C.: World Bank.
- World Bank. 1997a. *World Development Report: The state in a changing world*. New York: Oxford University Press.
- World Bank. 1997b. *Helping Countries Combat Corruption: The role of the World Bank*. Washington, D.C.: World Bank.
- World Bank. 2000a. *The Ghana Governance and Corruption Survey: Evidence from households, enterprises and public officials*. Washington, D.C.: The World Bank.
- World Bank. 2000b. 'Anticorruption in transition: a contribution to the policy debate'. Available at: <http://www.worldbank.org/wbi/governance/pdf/contribution.pdf> [Accessed 17 October 2006].
- World Bank. 2000c. *Helping Countries Combat Corruption: Progress at the World Bank since 1997*. Washington, D.C.: World Bank.
- World Bank. 2002. *World Development Report: Building institutions for markets*. New York: Oxford University Press.
- World Bank. 2006. *Strengthening Bank Group Engagement on Governance and Anticorruption*. Washington, D.C.: World Bank.
- World Bank. 2007. *World Development Indicators, 2007*. Washington, D.C.: The World Bank.
- World Bank. 2008. 'Regional brief: Africa'. Available at: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,menuPK:258652~pagePK:146732~piPK:146828~theSitePK:258644,00.html> [Accessed 17 April 2008].
- Yankah, K. 2002. 'Media in the frame'. *West Africa*, 4 March, pp. 20-21.
- Yeboah-Afari, A. 1995. 'Ghanair's new image'. *West Africa*, 9 January, pp. 23-24.
- Yeebo, Z. 1991. *Ghana: The Struggle for Popular Power. Rawlings: Saviour or Demagogue*. London: New Beacon
- Yin, R.K. 1994. *Case Study Research: Design and methods*. Second Edition. London: Sage.

Yirenkyi, K. 2000. 'The role of Christian Churches in national politics: reflections from laity and clergy in Ghana'. *Sociology of Religion*, 61 (3), pp. 325-338.

Young, R.A. 1991. 'Privatisation in Africa'. *Review of African Political Economy*, 18 (51), pp. 60-62.

Electronic news and other online data sources

BBC News. 13 August 2004. 'Ghana state airline board sacked'.
Available at: <http://news.bbc.co.uk/1/hi/world/africa/3561480.stm> [Accessed 26 June 2007].

BBC News. 19 June 2007. 'Ghana "will be an African tiger"'.
Available at: <http://news.bbc.co.uk/1/hi/world/africa/6766527.stm> [Accessed 4 January 2009].

Chinese Embassy (Ghana). 7 September 2005. 'Ghana receives €22.2 bn Chinese support'.
Available at: <http://gh.china-embassy.org/eng/xwdt/t210792.htm> [Accessed 19 February 2008].

Chinese Embassy (Ghana). 2 May 2007. 'The National Theatre now a gift'.
Available at: <http://gh.china-embassy.org/eng/xwdt/t315869.htm> [Accessed 19 February 2008].

Chinese Ministry of Foreign Affairs. 10 October 2006. 'Ghana'.
Available at: <http://www.china.org.cn/english/features/focac/183527.htm> [Accessed 19 February 2008].

Ghana News Agency (GNA). 27 August 1999. 'Report on ex-chief executives released'.
Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=8391> [Accessed 25 May 2007].

Ghana News Agency (GNA). 19 February 2001. 'DCE's to be elected'.
Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=13642> [19 February 2008].

Ghana News Agency (GNA). 24 October 2003. 'Mills list 15 corruption cases against NPP'.
Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=45419> [Accessed 10 August 2006].

Ghana News Agency (GNA). 20 December 2003. 'Government would not subvert next year's elections – JAK'. Available at:
<http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=48611>
[Accessed 10 August 2006].

Ghana News Agency (GNA). 30 January 2004. 'Cardinal Turkson to save Ghana Airways?'.
Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=50932> [Accessed 26 June 2007].

Ghana News Agency (GNA). 11 February 2004. 'Bagbin admits using GPHA vehicles but...'.
Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=51614> [Accessed 3 March 2007].

Ghana News Agency (GNA). 4 December 2004. 'DCEs exploiting office to promote ruling party'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=69188> [Accessed 1 November 2007].

Ghana News Agency (GNA). 4 November 2005. 'Ghana Palaver appeals for financial assistance'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=93645> [Accessed 19 March 2008].

Ghana News Agency (GNA). 6 December 2005. '¢322bn HIPC funds released to Assemblies since 2002'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=95625> [Accessed 1 November 2007].

Ghana News Agency (GNA). 13 April 2006. 'CDD blasts Parliament and blames government'. Available at: <http://www.ghanaweb.com/GhanaHomePage/economy/artikel.php?ID=102640> [Accessed 26 September 2007].

Ghana News Agency (GNA). 24 May 2006. 'Eliminate corruption in public procurement – Baah-Wiredu'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=104786> [Accessed 1 November 2007].

Ghana News Agency (GNA). 25 July 2006. 'Appiah Ofori scolds Parliament'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=107974> [Accessed 19 February 2008].

Ghana News Agency (GNA). 25 July 2006. 'Moves towards electing DCEs still being debated'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=107875> [Accessed 1 November 2007].

Ghana News Agency (GNA). 14 December 2006. 'Empower district offices of CHRAJ – Ahwoi'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=115576> [Accessed 1 November 2007].

Ghana News Agency (GNA). 13 March 2007. 'Court quashes CHRAJ's ruling on Anane'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=120751> [Accessed 1 November 2007].

Ghana News Agency (GNA). 9 June 2007. 'Minority commends oil find, but says its 37 years old'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=125861> [Accessed 4 January 2009].

Ghana News Agency (GNA). 18 June 2007. 'Ghana strikes oil in commercial quantities'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=125783> [Accessed 4 January 2009].

Ghana News Agency (GNA). 20 June 2007. 'Ghana Airways in final phase of liquidation'. Available at: <http://www.ghanaweb.com/GhanaHomePage/economy/artikel.php?ID=125899> [Accessed 26 September 2007].

Ghana News Agency (GNA). 21 June 2007. 'Oil war: Minority debunks government claims'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=1259> [Accessed 4 January 2009].

Ghana News Agency (GNA). 13 July 2007. 'Attorney-General reduces charges against Konadu, others to 15'. Available at: <http://www.businessghana.com/portal/news/index.php?op=getNews&id=67042> [Accessed 12 December 2007].

Ghana News Agency (GNA). 21 December 2007. 'Supreme Court quashes CHRAJ's application'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=136443> [Accessed 19 June 2008].

Ghana News Agency (GNA). 13 February 2008. 'Dr. Anane gets back his post'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=139166> [Accessed 19 June 2008].

Ghana News Agency (GNA). 11 March 2008. 'Kufuor swears in Anane'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=140624> [Accessed 19 June 2008].

Ghana News Agency (GNA). 28 July 2008. 'CDD calls for conventions to curb executive discretion'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=147570> [Accessed 2 September 2008].

Ghana News Agency (GNA). 15 January. 2009. 'Court discharges Konadu, four others'. Available at: <http://ghanaweb.net/GhanaHomePage/NewsArchive/printnews.php?ID=156236> [Accessed 3 March 2009].

Ghana Palaver. 9 January 2004. 'Totobi arrested'. Available at: <http://www.modernghana.com/news/47219/1/totobi-arrested.mgl> [Accessed 10 August 2006].

Ghana Palaver. 27 June 2007. 'Another reason why Kofi Adda, the Energy Minister must resign – Oil + Salt = PVC pipes!' Available at: <http://www.modernghana.com/news/138428/1/another-reason-why-kofi-adda-the-energy-minister-m.html> [Accessed 4 January 2009].

Ghana Review International. 'Map of Ghana'. Available at: <http://www.ghanareview.com/ghanamap.html> [Accessed 20 April 2009].

Joy FM. 17 February 2004. 'Bambagate: Parliament stays silent'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=51919> [Accessed 4 August 2006].

Joy FM. 24 May 2005. 'Sex scandal rocks Ghana's presidency'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=82218> [Accessed 1 August 2006].

Joy FM. 16 August 2005. 'Transcript: Gizelle Yazji's interview on Joy FM'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=88308> [Accessed 1 August 2006].

Joy FM. 20 June 2007. 'Minister storms Parliament with oil'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=125880> [Accessed 4 January 2009].

Joy FM. 14 February 2008. 'CHRAJ may reopen Anane's case'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=139205> [Accessed 19 June 2008].

Joy FM. 15 January 2009. 'Kufuor toyed with my life - ex first lady'. Available at: <http://topics.myjoyonline.com/news/200901/25131.asp> [Accessed 3 March 2009].

National Democrat 11 May 2005. 'Kufuor's son owns 40 % of GIA'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=81234> [Accessed 10 August 2006].

National Democrat 16 May 2005. 'Chief Kufuor is not telling the truth'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=81572> [Accessed 10 August 2006].

Public Agenda. 10 December 2007. 'NPP to rule Ghana for 24 years'. Available at: <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/printnews.php?ID=135661> [Accessed 19 February 2008].

Ruvidic, M. 2007. 'Ghana Airways photographs'. Attachment (photographs) in email to author, 28 May.

The 31st December Women's Movement (DWM). 'Photographs'. Available at: <http://31decemberwomen.org> [Accessed 26 June 2007].

Weekend Agenda. 25 January 2002. 'Abodakpi and Agbodo to be prosecuted'. Available at: <http://www.modernghana.com/news/19945/1/> [Accessed 25 May 2007].

World Miracle Outreach (Lawrence Tetteh Ministries). 'Photographs'. Available at: <http://lawrencetetteh.org/Gallery.htm> [Accessed 31 July 2007].

Printed newspapers

Business Chronicle (Accra)

Crusading Guide (Accra)

Daily Dispatch (Accra)

Daily Graphic (Accra)

Daily Guide (Accra)

Financial Times (London)

Free Press (Accra)

Ghana Palaver (Accra)

National Democrat (Accra)

Public Agenda (Accra)

The Economist (London)

The Ghanaian Chronicle (Accra)

The Ghanaian Times (Accra)

The Heritage (Accra)

The Independent (Accra)

The Statesman (Accra)

Weekend Agenda (Accra)

Weekend Crusading Guide (Accra)

Weekly Dispatch (Accra)

West Africa (London)

Appendix I : List of public servants who are required to declare their assets under the Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) (Section 3)

- (a) the President of the Republic;
- (b) the Vice-President of the Republic;
- (c) the Speaker, Deputy Speaker and Member of Parliament;
- (d) Minister of State or Deputy Minister;
- (e) Chief Justice, Justice of the Superior Court of Judicature, Chairman of a Regional Tribunal, the Commissioner for Human Rights and Administrative Justice and his Deputies, all judicial officers including members of the Regional and Circuit Tribunals;
- (f) Ambassador or High Commissioner;
- (g) Secretary to the Cabinet;
- (h) Head of Ministry, government department or equivalent office in the Civil Service;
- (i) Chairman, managing director, secretary, general manager, and departmental head of a public corporation or company in which the State has a controlling interest;
- (j) Governor, Bank of Ghana and his Deputies;
- (k) Chairman, Electoral Commission and his Deputies;
- (l) Chairman, National Commission for Civic Education and his Deputies;
- (m) Head of Chancery of Ghana Embassy or Ghana High Commission;
- (n) Heads of Department of Bank of Ghana;
- (o) Officers in the Armed Forces seconded to civilian establishment and institutions;
- (p) Members of the Tender Boards of the Central, Regional and District Assemblies;
- (q) Officials of Vehicle Examination and Licensing Division (VELD) not below the rank of Vehicle Examiner;
- (r) Presidential Staffers and Aides;
- (s) an officer of the rank of Assistant Inspector of Taxes and above in the Internal Revenue Service (IRS) or its equivalent in the –
 - (i) National Fire Service;
 - (ii) Ghana Immigration Service;
 - (iii) Customs Excise and Preventive Service (CEPS)
- (t) Officers of the Police Service;
- (u) Officers of the Prison Service;
- (v) District Chief Executive;
- (w) Presiding Member and secretary of Metropolitan, Municipal and District Assemblies;
- (x) Chairman, Public Services Commission and his Deputies
- (y) Head, Office of the Civil Service;

(z) persons who are –

- (i) heads of;
- (ii) accountants in;
- (iii) internal auditors in;
- (iv) procurement officers in;
- (v) planning and budget officers in

finance and procurement departments of government ministries, departments and agencies, District, Municipal and Metropolitan Assemblies;

(aa) an officer in any other public office or public institution other than the Armed Forces the salary attached to which is equivalent to or above the salary of a Director in the Civil Service.

Appendix II:

Selected economic indicators

	1993	1994	1995	1996	1997	1998	1999
Inflation (%)							
Consumer price (annual average)	24.8	24.7	59.5	46.6	27.9	14.6	12.4
Interest rates (%)							
91-day Treasury Bill (annual average)	32.0	29.5	40.5	42.8	42.5	26.8	31.5
Exchange rate							
¢:US\$ (annual average)	649	971	1,176	1,613	2,041	2,326	2,632

	2000	2001	2002	2003	2004	2005	2006	2007
Inflation (%)								
Consumer price (annual average)	25.2	32.9	14.8	26.7	12.6	15.2	10.9	10.7
Interest rates (%)								
91-day Treasury Bill (annual average)	42.0	28.9	26.6	18.7	17.1	11.5	10.2	10.6
Exchange rate								
¢:US\$ (annual average)	5,000	7,143	7,692	8,333	9,091	9,100	9,200	9,400

Sources: Bank of Ghana, Economist Intelligence Unit (EIU), International Financial Statistics Yearbook and 'The currency site' www.Oanda.com.

(a) Inflation rates for 1993 -1995 computed from Bank of Ghana Annual Reports; EIU/ Bank of Ghana for 1995-2007.

(b) Exchange rate computed from 'The currency site' www.oanda.com for period 1994 -2004; International Financial Statistics Yearbook used for 1993; 2005 -2007.

(c) Treasury bill rates from Bank of Ghana Annual Reports.